

FEDERAL BUREAU OF INVESTIGATION
FOI/PA
DELETED PAGE INFORMATION SHEET
FOI/PA# 1518282-000

Total Deleted Page(s) = 42

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X No Duplication Fee X

X For this Page X

XXXXXXXXXXXXXXXXXXXXXXXXXXXX

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 02/03/1999

To: Tampa

From: Tampa

Fort Myers Resident Agency

Contact: SA [redacted] tel 941-337-7171

b6
b7C

Approved By [redacted]

Drafted By: [redacted]

Case ID #: 272A-TP-NEW (Pending)

Title: [redacted] aka [redacted]

aka "Naftogaz Ukrainy" (NGU);

aka [redacted]

aka [redacted]

48727-1

b3
b6
b7C
b7E

Synopsis: To open and assign case to Special Agent (SA) [redacted] and SA [redacted] as co-case Agent.

b6
b7C

Details: United States Department of State Diplomatic Security Service identified [redacted] as a suspected Ukraine Organized Crime figure, possibly involved in money laundering who traveled to Naples, Florida aboard his own personal aircraft in May of 1997. Accompanied by an entourage, he spent over \$100,000.00 during a one week hotel stay and purchased real estate in the exclusive Port Royal section of Naples, Florida. On the property he erected a mansion estimated to be valued over \$8,000,000.00.

While staying in Florida, [redacted]

[redacted] Another individual identified as [redacted] made all of [redacted] travel arrangements and paid [redacted] travel expenses.

b6
b7C

(Protect Identity) advised that [redacted]

b6
b7C
b7D

CPI - M6

272A-TP-48727-1

272A

2/9/99

Don 2-16-99

WC Sent

b6
b7C

3V [redacted] EC

To: Tampa From: Tampa
Re: 272-TP-NEW, 02/03/1999

b6
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b7D

During the stay in Naples, [redacted] visited a construction site at [redacted] where [redacted] at the time was in the process of building a home. The lot was purchased in [redacted]

[redacted]
[redacted] The owner of the property is listed on the recorded deed as [redacted]

b6
b7C

To: Tampa From: Tampa
Re: 272-TP-NEW, 02/03/1999

[redacted] There is no indication of a recorded mortgage or purchase price for the property.

b6
b7C

Per summary of Legat's review of information supplied by US Consular Kiev, on 01/29/1997, [redacted] D/POB [redacted] [redacted] passport number [redacted] was refused a visa at the American Embassy, Kiev, Ukraine. [redacted] was one of sixteen Ukrainians attempting to obtain visas as a delegation to the US

b6
b7C

[redacted] (A member of Rada is equivalent to a US congressman.)

Consular Kiev considered refusing [redacted] a visa due to his known involvement as a [redacted] a company involved in purchasing natural gas from [redacted]

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b7C

After being delayed at the American Embassy, Kiev during January 1997, [redacted] and his delegation attempted unsuccessfully to obtain visas to the United Kingdom on [redacted]

[redacted] The British Embassy refused to grant visas to this delegation, in part due to information by the US consular.

[redacted] according to Consular Kiev, entered the U [redacted] [redacted], despite his connections to enterprises under investigation at Ukraine. He used a three year multiple entry visa. [redacted] has entered the US at least seven times since 1993.

[redacted] listed US addresses as [redacted]

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b7C

Investigation at Philadelphia through the Montgomery County recorder deeds revealed that [redacted] are the registered owners of [redacted]

To: Tampa From: Tampa
Re: 272-TP-NEW, 02/03/1999

[REDACTED]

Philadelphia indices also reflected [REDACTED] was mentioned in case captioned, [REDACTED]

[REDACTED] He, along with other businesses, are suspected in involvement in money laundering activities.

[REDACTED] was also identified in the aforementioned [REDACTED] who reportedly has a lot of money in weapons and drives a large expensive car.

Contact with North Hampton, PA Police Department revealed that [REDACTED] reported a burglary to [REDACTED]

[REDACTED] He was further described as a white male, DOB [REDACTED] PA driver's license number [REDACTED] vehicle [REDACTED] green color, [REDACTED]

On 08/08/1997, Philadelphia Division reported residences revealed that [REDACTED] is [REDACTED] tax records revealed that [REDACTED] purchased [REDACTED] on [REDACTED] other reported address of [REDACTED] is in fact owned by [REDACTED] tax authorities. They purchased the property on [REDACTED]

According to Legat Kiev [REDACTED] and [REDACTED] listed an address at [REDACTED] under US Department of State Forms 156. [REDACTED] advised that this property is owned by [REDACTED]

[REDACTED] (Protect Identity), [REDACTED]

[REDACTED]

To: Tampa From: Tampa
Re: 272-TP-NEW, 02/03/1999

On 09/28/1997, Ukrainian President Leonid Kuchma appointed what the Ukrainian Press referred to as a presidential advisor, [REDACTED] and Oil Refining Industry Committee.

b6
b7C

As of 10/1995, [REDACTED]
[REDACTED] aka [REDACTED] D/POB [REDACTED]
[REDACTED] Based on available information in
addition to being [REDACTED]
[REDACTED]

[REDACTED] and [REDACTED]
[REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]

b6
b7C

[REDACTED]

[REDACTED] is believed to be [REDACTED]
[REDACTED]

b6
b7C

On 01/13/1999, Legat Kiev's Ukraine Government liaison provided a report analyzing the activities of [REDACTED]
[REDACTED] was involved in the criminal collection
of capital and the removal of it beyond the borders of the
Ukraine to his own enrichment.

b6
b7C

[REDACTED] AK "NAFTOGAZ UKRAINY (NGU). The
sole goal of the organization is the removal without discretion
of the natural resources of Ukraine, monetary gain and the use of
these benefits for personal gain.

The creation of NGU started with the intensified
breakdown of the existing distribution systems of natural gas and
oil products. DAKHK "UKRGAS" stopped functioning as of
01/01/1999. "UKRGAPROM" will also cease to operate. All high
level executives who are specialists are being replaced by non
specialists, people who lack the knowledge to operate in the
complicated endeavor did delivery of energy resources, [REDACTED]
[REDACTED]

b6
b7C

To: Tampa From: Tampa
Re: 272-TP-NEW, 02/03/1999

Taking advantage of the collapse of UKRGAZ and UKRGAZPROM, natural gas valued at \$80 million, was sold without controls by companies [redacted] to Ukrainian industries. The Ukrainian Government is responsible for the gas and accrued penalties and will pay for the gas out of its 1999 budget.

b6
b7C

On 12/25/1998 [redacted]

b6
b7C

The largest portion of the \$340 million debt belongs to INTERGAZ, [redacted]. Obtainment of the debt will result in the total debt being paid by the Ukrainian national budget.

[redacted] is said to be amassing in capital and diverting part of the funds to the upcoming presidential campaign in the Ukraine. He has resettled his wife and child in the US in the event that his candidate is not re-elected.

b6
b7C

[redacted] has created [redacted] mass media in the Ukraine to promote steady disinformation about the accomplishments of NGU. Besides NGU, other private companies involved in the sale of gas or INTERGAZ and BARI, [redacted]. This "gangster monopolism" brings not only uncontrollable gas prices, but also creates a situation where no one is able to determine the level of profit from such operations, nor the taxes due from such profits.

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Legat Kiev commented that [redacted]

[redacted] President Kuchma; however, time will tell if [redacted]

[redacted] former prime minister, Pavlo Lazarenko, who was arrested by Swiss authorities on 12/02/1998 while entering Switzerland on a Panamanian passport. [redacted]

[redacted] United Energy Systems of Ukraine (UESU), made millions of dollars in profits while leaving the Government [redacted]

To: Tampa From: Tampa
Re: 272-TP-NEW, 02/03/1999

of Ukraine debts of millions of US dollars based on activities of
UESU [REDACTED]

b6
b7C

Descriptive Data:

Main Subject

Name -

Last: [REDACTED]

First:

Middle:

(And all other names in title)

DDN:

Race:

W

Sex:

M

DOB:

POB:

SOC:

Address -

House #:

Street Name:

Street Suffix:

City:

State:

Main Subject

Name -

Last: [REDACTED]

First:

Middle:

DDN:

Race:

U

Sex:

U

Aka:

DOB:

Main Subject

Name -

Last: [REDACTED]

First:

Middle:

DDN:

Race:

U

Sex:

U

Aka:

SOC:

To: Tampa From: Tampa
Re: 272-TP-NEW, 02/03/1999

♦♦

10/07/99
16:10:24

FD-192

ICMIPR01
Page 1

Title and Character of Case:

[Redacted]

b3
b6
b7C

Date Property Acquired: Source from which Property Acquired:

10/05/1999

[Redacted]

Anticipated Disposition: Acquired By: Case Agent:

[Redacted]

Description of Property:

Date Entered

1B 1

[Redacted]

Barcode: [Redacted] Location: NRA
Grand Jury Material (Disseminate only pursuant to Rule 6(e))

10/07/1999

Case Number: 281H-TP-48727
Owning Office: TAMPA

FILE COPY

[Redacted]

b6
b7C

281H-TP-48727-15

06/01/99
13:06:02

FD-192A

ICMIPR01
Page 1

Title and Character of Case:

[Redacted]

b3
b6
b7C

Date Property Acquired: Source from which Property Acquired:

05/18/1999

[Redacted]

Anticipated Disposition: Acquired By:

[Redacted]

Case Agent:

[Redacted]

Description of Property:

1C 1

Date Entered

[Redacted]

Barcode: Location: FMRA
Grand Jury Material (Disseminate only pursuant to Rule 6(e))

06/01/1999

*DESTROY
1/22/00*

[Redacted]

b6
b7C

Case Number: 281H-TP-48727
Owning Office: TAMPA

FILE COPY

[Redacted]

281H-TP-48727-1C1

06/15/99
12:06:45

FD-192A

ICMIPR01
Page 1

Title and Character of Case:

b3
b6
b7C

Date Property Acquired: Source from which Property Acquired:

06/07/1999

Anticipated Disposition: Acquired By:

Case Agent:

Description of Property:

1C 2

Date Entered

Barcode: Location: FMRA
Grand Jury Material (Disseminate only pursuant to Rule 6(e))

06/15/1999

*Destroy
11/22/00*

b6
b7C

Case Number: 281H-TP-48727
Owning Office: TAMPA

FILE COPY

281H-TP-48727-1C 2

(01/26/1998)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 02/16/1999

To: Miami

From: Tampa

Fort Myers Resident Agency

Contact: SA [redacted] telephone 941-337-7171

b6
b7C

Approved By: [redacted]

Drafted By: [redacted]

Case ID #: ✓ 272A-TP-48727 (Pending) - 2
92H-MM-74093 (Pending) - 1196

Title: [redacted]

ET AL

Synopsis: Lead to Miami to provide copies of 92H-MM-74093, serial 700, Appendixes A through M, containing descriptive information re [redacted]
[redacted]

b6
b7C

Details: Per EC from Legat Kiev, 92H-MM-74093, serial 700, Miami Division received Appendixes A through M, containing descriptive information re [redacted]
[redacted]

[redacted] Insofar as attached appendixes A through M to the communication are not uploaded in ACS, it is requested that Miami Division forward a copy of Appendixes A through M.

47 [redacted] EC

272A TP-48727-2 [redacted]

b6
b7C

To: Miami From: Tampa
Re: 272A-TP-48727, 02/16/1999

LEAD (s):

Set Lead 1:

MIAMI

AT MIAMI, FL

Forward copy of Appendixes A through M from serial
700, 92H-MM-74093 to Tampa Division, Fort Myers Resident Agency
(FMRA), 2000 Main Street, Suite 800, Fort Myers, Florida 33901.

♦♦

#2

United States District Court

MIDDLE DISTRICT OF *FLORIDA*
FORT MYERS DIVISION

SUBPOENA TO TESTIFY BEFORE GRAND JURY

SUBPOENA FOR:

YOU ARE HEREBY COMMANDED to appear and testify before the Grand Jury of the United States District Court at the place, date, and time specified below.

PLACE

*Federal Courthouse
2110 First Street
Fort Myers, Florida 33901*

COURTROOM

*Fifth Floor
Room 5-146*

DATE AND TIME

b3
b6
b7C

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):*

NOTE: In lieu of appearance, you may mail or give the records to Special Agent of the Federal Bureau of Investigation, phone (941) 337-7171, before the scheduled date.

☐ Please see additional information on reverse

This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

CLERK

RICHARD D. SLETTEN

DATE

2/17/99

(BY)

TY CLERK

This subpoena issued on application
of the United States of America

*Charles R. Wilson
United States Attorney*

NAME, ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY

*Managing Assistant U.S. Attorney
2110 First Street, Suite 3-137
Fort Myers, FL 33901*

*If not applicable, enter "none"

b6
b7C

272 1A - TP. 4872

RETURN OF SERVICE (1)

RECEIVED BY SERVER	DATE 2/17/99	PLACE Ft. Myers FL
SERVED	DATE 2/22/99	PLACE Ft Myers FL
SUBJECT (NAME) Custodian of Records		

b3
b6
b7C

SERVED BY 	TITLE Special Agent
---	------------------------

STATEMENT OF SERVICE FEES

TRAVEL	SERVICES	TOTAL

DECLARATION OF SERVER (2)

I declare under penalty of perjury under the laws of the United States of America that the information contained in the Return of Service and Declaration of Service is true and correct.

Executed on 2/22/99
Date

Signature

Address of Server

2000 Main St Ste 806
Ft. Myers FL 33901

b6
b7C

ADDITIONAL INFORMATION

1. To whom may serve a subpoena and the manner of its service see Rule 17(d), Federal Rules of Criminal Procedure, or Rule 45(c), Federal Rules of Civil Procedure.
2. Fees and mileage need not be tendered to the witness upon service of a subpoena issued on behalf of the United States or an officer or agent of the United States (Rule 45(c), Federal Rules of Civil Procedure; Rule 17(d), Federal Rules of Criminal Procedure) or on behalf of certain indigent parties (defendants who are unable to pay such costs (28 USC 1825, Rule 17(b) Federal Rules of Criminal Procedure)).

United States District Court**MIDDLE DISTRICT OF FLORIDA
FORT MYERS DIVISION**

TO:

**SUBPOENA TO TESTIFY
BEFORE GRAND JURY**

YOU ARE HEREBY COMMANDED to appear and testify before the Grand Jury of the United States District Court at the place, date, and time specified below.

PLACE

*Federal Courthouse
2110 First Street
Fort Myers, Florida 33901*

COURTROOM

*Fifth Floor
Room 5-146*

DATE AND TIME

b3
b6
b7C

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):*

NOTE: In lieu of appearance, you may mail or give the records to Special Agent [redacted] of the Federal Bureau of Investigation, phone (941) 337-7171, before the scheduled date.

☐ Please see additional information on reverse

This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

CLERK

RICHARD D. SLETTEN

DATE

2/17/99

b6
b7C

(BY)

CLERK

This subpoena issued on application
of the United States of America

**Charles R. Wilson
United States Attorney**

NAME, ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY

**Managing Assistant U.S. Attorney
2110 First Street, Suite 3-137
Fort Myers, FL 33901**

*If not applicable, enter "none"

272A-TP-48727-5

RETURN OF SERVICE (1)

RECEIVED BY SERVER	DATE 2/28/99	PLACE Ft. Myers FL
SERVED	DATE 2/22/99	PLACE Ft Myers FL
BY (NAME) custodian of Records		
SERV		TITLE Special Agent
STATEMENT OF SERVICE FEES		
TRAVEL	SERVICES	TOTAL
DECLARATION OF SERVER(2)		
I declare under penalty of perjury under the law that the information contained in the Return of Service is true and correct. Executed on <u>2/22/99</u> <u>2600 Main St</u> <u>St 800 Ft Myers</u> <u>FL 33901</u>		

ADDITIONAL INFORMATION

to who may serve a subpoena and the manner of its service see Rule 17(d), Federal Rules of Criminal Procedure, or Rule 45(c), Federal Rules of Civil Procedure.

Costs and mileage need not be tendered to the witness upon service of a subpoena issued on behalf of the United States or an officer or agent of the United States, or on behalf of certain indigent parties (28 USC 1825, Rule 17(d) Federal Rules of Criminal Procedure).

U.S. Department of Justice



Federal Bureau of Investigation

In Reply, Please Refer to
File No.

500 E. Zack Street, Room 610
Tampa, Florida 33602
February 16, 1999

Manager, Inspection Services
Operations Support Group
United States Postal Service
225 North Humphreys Boulevard
4th Floor South
Memphis, Tennessee 38161-0001

Attention: [redacted] Mail Covers

b6
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b7E

RESTRICTED INFORMATION

Dear [redacted]

This is a request for a mail cover to acquire evidence of a commission or an attempted commission of a crime. The subjects of this request are being investigated for violations of Title 18, United States Code (USC), Sections 1956 and 1957, Racketeering and Money Laundering, offenses punishable by up to twenty years in prison.

This matter has been an ongoing investigation since January 15, 1999. The subjects [redacted] also known as [redacted] The investigation is also based on interviews conducted by Special Agents (SAs) of the Federal Bureau of Investigation (FBI), records obtained through Federal Grand Jury (FGJ) subpoenas and computerized record checks. [redacted]

[redacted] He has purchased estates throughout the United States valued in the tens of millions of dollars. The within referenced address is a residence [redacted] where he receives correspondence regarding his financial holdings.

All the names should be covered because the subjects have utilized alias names; and the location is used for money laundering proceeds and racketeering activities.

- 1 - Addressee
- ① - Tampa (272A-TP-48727)



272A-TP-48727-~~6~~6

4 [redacted] 04.1et

Letter to [redacted]
Dated February 16, 1999 Page 2

b6
b7C
b7E

[redacted]
[redacted]
This mail cover is requested for thirty (30) days beginning as soon as possible.

The referenced subject has not been indicted, but if he is, you will promptly be notified to terminate the mail cover.

We are unaware of any legal representation [redacted]
However, if this information becomes available, the name of his attorney will be relayed to you at once.

Form 2009, Information concerning Mail Matters, will be needed on a weekly basis. We will not copy these forms. They will be returned to you within sixty (60) days of the mail cover completion date. All Forms 2009 should be directed to SA [redacted]
[redacted] FBI, 2000 Main Street, Suite 800, Fort Myers,
Florida 33901.

Sincerely,


FRANCIS A. GALLAGHER
Special Agent in Charge

(01/26/1998)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 03/04/1999

To: Tampa

Attn: Fort Myers RA
SA [redacted]

b6
b7C

From: Miami

D-7

Contact: [redacted] (954) 430-4945

Approved By: [redacted]

Drafted By: [redacted]

Case ID #: 92H-MM-74093 (Pending)
272A-TP-48727 (Pending) - 7

Title: Russian/Eastern European/
Eurasian Organized Crime;
REI;
OO: MM

[redacted]
ET AL

Synopsis: Send serials to Tampa as requested.

Reference: 92H-MM-74093 Serial 1196

Enclosures: Two copies of appendixes A through M from 92H-MM-74093 Serial 700.

Details: Appendixes A through M from 92H-MM-74093 Serial 700 are being forwarded to Tampa per request in referenced E.C.

W/C
Sent

272A-TP-48727-7

06 [redacted] ec

b6
b7C

To: Tampa From: Miami
Re: 92H-MM-74093, 03/04/1999

LEAD (s):

Set Lead 1: (Adm)

TAMPA

AT FT. MYERS RA

Read and Clear

♦♦

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 2/22/99

A source, who is not in a position to testify,
voluntarily provided the following information to Special
Agent (SA) [REDACTED]

b6
b7Cb6
b7C
b7DInvestigation on 1/26/99 at Naples, FloridaFile # 272A-TP-48727Date dictated 2/16/99

by SA [REDACTED]

b6
b7C
b7D
b7E

K: 1053 02 302
This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

272A-TP-48727

Memorandum



Subject

United States v [REDACTED]
USAO #1998R00426

Date

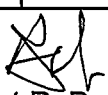
March 12, 1999

To

FBI

Special Agent

From


Robert P. Barclift
Assistant U.S. Attorney

b6
b7C

Please call me so that we may discuss any forfeiture potential this case may have.

N:\UDD\ [REDACTED] MEMOS\AGENT.POT

b6
b7C

272A-TP- 48727 ⁹ 

United States District Court

MIDDLE DISTRICT OF FLORIDA
FORT MYERS DIVISION

b3
b6
b7C**SUBPOENA TO TESTIFY
BEFORE GRAND JURY**

SUBPOENA FOR:

YOU ARE HEREBY COMMANDED to appear and testify before the Grand Jury of the United States District Court at the place, date, and time specified below.

PLACE

Federal Courthouse
2110 First Street
Fort Myers, Florida 33901

COURTROOM

DATE AND

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):*

SEE ATTACHMENT

NOTE: In lieu of appearance, you may mail or give the records to Special Agent [redacted] of the Federal Bureau of Investigation, phone (941) 337-7171, before the scheduled date.

☐ Please see additional information on reverse

This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

CLERK

RICHARD D. SLETTEN

DATE

4/13/99

b6
b7C

This subpoena is issued on application
of the United States of America

Charles R. Wilson
United States Attorney

NAME ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY

Managing Assistant U.S. Attorney
2110 First Street, Suite 3-137
Fort Myers, Florida 33901

*If not applicable, enter "none"

272A-TB-48727-1A

RETURN OF SERVICE (1)

RECEIVED BY SERVER	DATE 4/15/99	PLACE 2100 W. FIRST ST FT. MYERS, FL
SERVED	DATE 4/16/99	PLACE
SERVED ON (NAME)		
SERVED BY		
TITLE Special Agent - FBI		
STATEMENT OF SERVICE FEES		
TRAVEL N/A	SERVICES N/A	TOTAL N/A
DECLARATION OF SERVER(2)		

b3
b6
b7C

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Return of Service and Statement of Service Fees is true and correct.

Executed on 4/16/99
Date

ADDITIONAL INFORMATION

As to who may serve a subpoena and the manner of its service see Rule 17(d), Federal Rules of Criminal Procedure, or Rule 45(c), Federal Rules of Civil Procedure. Expenses and mileage need not be tendered to the witness upon service of a subpoena issued on behalf of the United States or an officer or agency thereof. Rule 45(c), Federal Rules of Civil Procedure; Rule 17(d), Federal Rules of Criminal Procedure) or on behalf of certain indigent parties and criminal defendants who are unable to pay such costs (28 USC 1825, Rule 17(b) Federal Rules of Criminal Procedure)."

(01/26/1998)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 04/22/1999

To: San Francisco

Attn: SA [redacted]
Squad 12-C

b6
b7C

From: ✓ Tampa

Fort Myers Resident Agency

Contact: SA [redacted] (941) 337-7171

Approved By: [redacted]

Drafted By: [redacted]

Case ID #: ✓ 272A-TP-48727 (Pending) -12
281A-SF-121294 (Pending) -447

Title: [redacted]

aka [redacted]
DBA NAK "NAFTOGAZ UKRAINY";
ET AL

Synopsis: Lead to serve subpoena on [redacted]
[redacted]

Administrative: Re telcall between SA [redacted] Tampa
Division, and SA [redacted] San Francisco Division.

Enclosures: Original Federal Grand Jury subpoena for [redacted]
[redacted]

one copy of Federal Grand Jury subpoena with return of services.

b3
b6
b7C

Details: For information of receiving office Tampa Division is
conducting a investigation of [redacted]
[redacted]

112 [redacted] 2, EC

272A-TP-48727-12

To: San Francisco From: Tampa
Re: 272A-TP-48727, 04/22/1999

LEAD (s):

Set Lead 1:

SAN FRANCISCO

AT SAN FRANCISCO

Serve Federal Grand Jury subpoena on



b3

♦♦

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 4/6/99

A source, who is not in a position to testify,
voluntarily provided the following information to Special Agent
(SA) [redacted]

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[Large redacted area]

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[Small redacted box]

Investigation on 4/5/99 at Naples, Florida (telephonically)File # 272A-TP-48727; [redacted] Date dictated 4/6/99

by SA [redacted]

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272A-TP-48727-14

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 05/03/1999

To: Tampa

From: Tampa

(SQ. 2) FAST

Contact: PS [redacted] ext. 8043

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Approved By: [redacted]

Drafted By: [redacted]

File Number(s): 272A-TP-48727-FF (Pending)
272A-TP-48727-15

Title:

AKA

NAK "NAFTOGAZ UKRAINY" (NGU);

AKA

AKA

OO:TP

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Synopsis: Notification of forfeiture provisions.

Details: This communications serves as notification this case contains forfeiture provisions which must be considered during investigation.

A sub file (SUB FF) will be established and used as a general information file for all communications and documents relative to the forfeiture proceedings. When specific property is identified and/or it is anticipated that a seizure is being considered, a separate Sub FF file will be opened by writer, for each separate property, i.e., SUB FF1, SUB FF2, etc.

Throughout the investigation, please route an extra copy of all pertinent documentation (surveillance logs, FD-302's, inserts, Title III material, etc...) to writer. This is requested so probable cause for the seizure of the assets can be complied as the case progresses. This information will be utilized to assemble the facts and circumstances for property seized and/or to draft affidavits for seizure warrants.

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272A-TP-48727-15

(03/31/95)

FEDERAL BUREAU OF INVESTIGATION

If you have any questions on this matter, please
contact writer.

U.S. Department of Justice



Federal Bureau of Investigation

In Reply, Please Refer to
File No. 272A-TP-48727

500 E. Zack Street, Room 610
Tampa, Florida 33602
May 4, 1999

Manager, Inspection Services
Operations Support Group
United States Postal Service
225 North Humphreys Boulevard
4th Floor South
Memphis, Tennessee 38161-0001

Attention: [redacted] Mail Covers

RESTRICTED INFORMATION

Dear [redacted]

This is a request for a mail cover to acquire evidence of a commission or an attempted commission of a crime. The subjects of this request are being investigated for violations of Title 18, United States Code (USC), Sections 1956 and 1957, Racketeering and Money Laundering, offenses punishable by up to twenty years in prison.

This matter has been an ongoing investigation since January 15, 1999. The subjects [redacted] also known as [redacted]

[redacted] The investigation is also based on interviews conducted by Special Agents (SAs) of the Federal Bureau of Investigation (FBI), records obtained through Federal Grand Jury (FGJ) subpoenas and computerized record checks. [redacted]

[redacted] He has purchased estates throughout the United States valued in the tens of millions of dollars. The within referenced address is a residence of [redacted]

1 - Addressee

① - Tampa (272A-TP-48727) - 16

(2)

1 - 60-777

12 [redacted] .let

272A-TP-48727-16

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Letter to [redacted]
Dated May 4, 1999 Page 2

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[redacted]

All the names should be covered because the subjects have utilized alias names; and the location is used for money laundering proceeds and racketeering activities.

[redacted]

This mail cover is requested for thirty (30) days beginning as soon as possible.

The referenced subjects have not been indicted, but if they are, you will promptly be notified to terminate the mail cover.

We are unaware of any legal representation [redacted] and Ferker. However, if this information becomes available, the name of their attorney will be relayed to you at once.

Form 2009, Information concerning Mail Matters, will be needed on a weekly basis. We not copy these forms. They will be returned to you within sixty (60) days of the mail cover completion date. All Forms 2009 should be directed to SA [redacted] [redacted] FBI, 2000 Main Street, Suite 800, Fort Myers, Florida 33901.

Sincerely,

FRANCIS A. GALLAGHER
Special Agent in Charge

Automated Serial Permanent Charge-Out
FD-5a (1-5-94)

Date: 05/13/99 Time: 09:22

Case ID: 272A-TP-48727 Serial: 18

Description of Document:

Type : EC
Date : 04/22/99
To : CRIMINAL INVESTIGATIVE, et al.
From : TAMPA
Topic: TO ADVISE LEGAT KIEV OF CASE STATUS AT TAMPA, AND TO

Reason for Permanent Charge-Out:

DOCUMENT NEEDED CORRECTIONS. NEEDS TO BE RE-UPLOADED.

Employee:

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272A-TP-48727-18

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 04/22/1999

To: Criminal Investigative .

Attn: Money Laundering Unit,
SSA [REDACTED]

Attn: R/EE/ECEU,
SSA [REDACTED]

Attn: International Operations
Branch (IOB)

Kiev

Attn: [REDACTED]

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From: Tampa

Fort Myers Resident Agency

Contact: SA [REDACTED] 941-337-7171

Approved By: [REDACTED]

Drafted By: [REDACTED]

Case ID #: 272A-TP-48727-19

Title: [REDACTED]

aka

dba NAK "NAFTOGAZ UKRAINY" (NGU);

ET AL;

ITSP - MONEY LAUNDERING;

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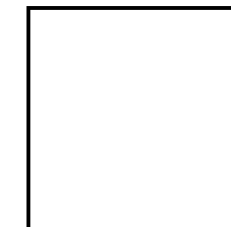
Synopsis: To advise Legat Kiev of case status at Tampa, and to set lead for Legat Kiev.

Details: [REDACTED]

[REDACTED] Receiving office should note that previous communications referencing this subject regarding subjects activity in Naples, Florida is within the Tampa Division and not the Miami, Division.

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Through investigation at Tampa, it has been learned that two separate private investigation firms have been hired in the United States to locate [REDACTED] assets and holdings. These private investigation firms are believed to be hired by officials associated with or within the government of the Ukraine; political opponents of; and business competitors of [REDACTED] Through its investigation, Tampa Division believes that these private investigative firms have been unable to locate



272A-TP-48727-19

To: Criminal Investigative From: Tampa
Re: 272A-TP-48727, 04/22/1999

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Should Kiev authorities provide information which would assist Tampa in the prosecution of [redacted] within the Middle District of Florida (MDF), the FBI will petition Department of Justice (DOJ) for the sharing of any assets forfeited as a result of same with the government of Ukraine. The United States Attorney for the Middle District of Florida has been apprised of this matter and concurs.

Legat Kiev is requested to ascertain the willingness of Kiev authorities to provide information, and to testify in the United States District Court (USDC) during any future prosecution of [redacted] regarding the criminal flight of capital from the Ukraine into the United States which is Interstate Transportation of Stolen Property, in violation of Title 18, United States Code (USC), Section 2314 (Interstate Transportation of Stolen Property), a specified unlawful activity of money laundering in violation of Title 18, USC, Section 1956.

According to the Asset Forfeiture Law and Practice Manual, United States DOJ Criminal Division, Asset Forfeiture and Money Laundering Section, there is a basis through which the United States may seek to confiscate the laundered proceeds derived from violations of foreign fraud statutes. This statutory scheme relies on a linkage of 18, USC, Sections 2314 or 2315 (interstate transportation of stolen property); (money laundering); and 18, USC, Sections 981 and 982. Section 2314 proscribes transporting, transmitting, or transferring "in interstate or foreign commerce any goods, wares, merchandise, securities or money, of the value of \$5,000 or more, knowing the same to have been stolen, converted, or taken by fraud." Moreover, like section 2314, 18 USC, section 2315 is listed as a "specified unlawful activity." Section 2315 prohibits receiving, possessing, concealing, storing, bartering, selling, or disposing of any goods, wares, ore merchandise, securities or money of the value of \$5,000 or more" which have crossed a State or U.S. boundary after being stolen, unlawfully converted, or taken."

The money laundering statute (at Title 18, USC, Section 1956(c)(7)(A)) makes sections 2314 and 2315, "specified unlawful activities." In turn, 18, USC, Section 1956(a)(1)-(3) prohibits engaging in certain financial transactions, i.e., money laundering activities, with the proceeds of specified unlawful activities. Thus, it is a violation of United States criminal law to launder the proceeds of a foreign fraud or theft offense, when such proceeds are brought into the United States. These proceeds are subject to civil and criminal forfeiture under 18, USC, Sections 981 and 982, respectively.

To: Criminal Investigative From: Tampa
Re: 272A-TP-48727, 04/22/1999

It is DOJ policy, in accordance with U.S. law and established procedures, to share the proceeds of successful forfeiture actions with countries that facilitate the forfeiture of assets under U.S. law. International asset sharing is premised on the realization that such transfers provide an incentive for further international cooperation. There are three statutory provisions authorizing the Attorney General and/or the Secretary of the Treasury, with the concurrence of the Secretary of State, to transfer forfeited property to a foreign country: 18, USC, Section 981(I)(1); 21, USC, Section 881(e)(1)(E); and 31, USC Section 9703(h)(2).

Section 981(I)(1) of Title 18 authorizes the Attorney General or the Secretary of the Treasury to transfer property forfeited under 18, USC, Sections 981 and 982 to a foreign country that participated directly or indirectly in acts leading to the seizure and forfeiture of the property. Section 9703(h)(2) of Title 31 authorized the Secretary of the Treasury to transfer property forfeited under any law enforced or administered by the Department of the Treasury to a foreign country that participated directly or indirectly in the seizure or forfeiture of such property.

All three statutes condition such a transfer upon: (1) approval by the Attorney General or the Secretary of the Treasury; (2) approval by the Secretary of State; (3) authorization for such a transfer in an international agreement between the United States and the foreign country to which the property would be transferred; and (4) if applicable, certification of foreign country in question under the Foreign Assistance Act of 1961.

Tampa Division is aware of the location of [redacted] assets and Tampa Division has reason to believe that the government of the Ukraine is unaware of the location of these assets. Tampa Division is unable to prove a specified unlawful activity without the assistance of the authorities in the Ukraine as well as their willingness to testify against [redacted] in a United States court of law. If Ukraine provides assistance in this matter, the Tampa Division would possibly be in a position to seize the Ukrainian authorities are unaware. Without Ukraine's Division will be forced to pursue other avenues of investigation which may result in no prosecution of [redacted]

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To: Criminal Investigative From: Tampa
Re: 272A-TP-48727, 04/22/1999

LEAD (s):

Set Lead 1:

KIEV

AT KIEV, UK

Legat Kiev requested to ascertain willingness of Kiev authorities to provide information which will assist Tampa Division in establishing a specified unlawful activity for prosecution of [redacted] in the United States.

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In addition, Legat Kiev is requested to ascertain willingness of Kiev authorities to testify if necessary and to make available witnesses to testify against Bakai in the United States if information provided by Kiev authorities results in a United States prosecution.

Set Lead 2: (Adm)

CID

AT IOB, DC

For information only.

♦♦

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 04/19/1999

To: Tampa

From: Tampa

Fort Myers Resident Agency

Contact: SA [REDACTED] 941-337-7171

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Approved By: [REDACTED]

Drafted By: [REDACTED]

Case ID #: 272A-TP-48727 (Pending)-20

Title: CHANGED

[REDACTED] aka
[REDACTED]
dba NAK "NAFTOGAZ UKRAINY" (NGU);
[REDACTED] aka

[REDACTED] ka

[REDACTED] aka

OC/DI - RUSSIAN/EASTERN EUROPEAN/
EURASIAN ORGANIZATIONS;

5-18-99
OK
4/21/99

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Synopsis: Request to reclassify case as a 281H matter.

Previous Title: Title marked "Changed" to reflect addition of
subject [REDACTED] Title previously carried as [REDACTED]

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[REDACTED] aka [REDACTED]
[REDACTED]
[REDACTED] OC/DI - RUSSIAN/EASTERN EUROPEAN/EURASIAN
ORGANIZATIONS".

Details: On 12/15/1998, Moscow newspaper article from "Novoye
Izvestiya" alleges that Ukrainian President Kuchma was involved
in siphoning of energy profits for his election campaign with
the help of [REDACTED] a state
holding company which supplies two-thirds of Ukrainian natural
gas in 1999. The article alleged that natural gas and coal are
90 percent barter, belonging to the purchase of export products
such as steel, aluminum and chemical fertilizers. All these
industries have surfaced in organized crime investigations,

[REDACTED]

109 [REDACTED] 09. EC

272A-TP-48727-20 [REDACTED]

To: Tampa From: Tampa
Re: 272A-TP-48727, 04/19/1999

steel and aluminum in Miami investigation 281H-MM-88313.
involving the brothers [redacted]
in Kiev [redacted]
[redacted]

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Chemical fertilizers have surfaced in New York
92H-NY-229928, entitled, [redacted] Et Al", involving
allegations of advance fee schemes.

Through Jacksonville investigation 281H-JK-43250 it
was learned that there is evidence of [redacted] being connected to
[redacted]

In November 1998, [redacted] paid approximately \$40,000
as payment for releasing [redacted]
[redacted]

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Descriptive Data:

Main Subject

Name -

Last: [redacted]

First: [redacted]

Middle: [redacted]

DDN: [redacted]

Race:

Sex:

DOB:

POB:

SOC:

Alias (es) :

Last: [redacted]

First: [redacted]

Middle: [redacted]

DDN: [redacted]

Address -

House #:

Street Name:

Street Suffix:

City:

State:

Postal Code:

W

F

Unknown

To: Tampa From: Tampa
Re: 272A-TP-48727, 04/19/1999

Address -
House #:
Street Name:
Street Suffix:
City:
State:
Postal Code:



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♦♦

(01/26/1998)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 05/20/1999

To: Criminal Investigative

Attn: International Relations
Section

Attn: R/EE/ECEU

SSA [REDACTED]

Information Resources

Attn: LSG, SFR, Room 5991

Kiev

Attn: SA [REDACTED]

Philadelphia

tn: SA [REDACTED]

San Francisco

tn: [REDACTED]

✓ Tampa

From: Jacksonville

Squad 6

Contact: SA [REDACTED]

(904) 727-6116

Approved By: [REDACTED]

Drafted By: [REDACTED]

Case ID #: 281H-JK-43250-86 (Pending)
92H-PH-76840-910 (Pending)
281H-SF-121294-480 (Pending)
272A-TP-48727-21 (Pending)

Title: [REDACTED]

DBA, ITERA INTERNATIONAL ENERGY CORP.;
ET AL;
ROC;

Synopsis: Jacksonville Division [REDACTED]

Enclosure(s): Enclosed for receiving offices are one copy each
of photographs of [REDACTED]

Details: The following information is being furnished to
receiving offices for information/intelligence purposes. The
original source of the information is of unknown reliability but
is known to be motivated to furnish damaging information re

[REDACTED] The content of this communication is sensitive due to its
singularity.

[REDACTED] JK Div recently received source information regarding
[REDACTED] The following is a summary of information
received to date:



281H [REDACTED]

~~272A-TP-48727-~~ [REDACTED]



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(01/26/1998)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 05/18/1999

To: Criminal Investigative

Attn: R/EE/ECEU, SSA [redacted]
IRU 1, SSA [redacted]
Money Laundering Unit,
SSA [redacted]
Attn: For information
Attn: OC-3, SA [redacted]
Attn: SSA [redacted]
SSA [redacted]
Attn: Fort Myers RA,
SA [redacted]

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Athens
Miami
Philadelphia

Tampa

From: Kiev

Contat [redacted] Legat [redacted] +38-044-246-8867

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Approved [redacted]

Drafted By: [redacted]

Case ID #: 2814-TP-48727 (Pending)
[redacted] Pending)
92H-PH-76840- (Pending)

Title: [redacted] aka [redacted]
[redacted]
dba. NAK "NAETOGAZ UKRAINY" (NGU);
[redacted]
ET AL;
ITSP - MONEY LAUNDERING

Synopsis: Legat Kiev provides enclosures detailing [redacted] requests to obtain a U.S. non-immigrant visa and additional background information regarding [redacted] activities in Ukraine. In addition, the Ukrainian Procurator General's Office (PGO) is advised of U.S. law enforcement interest in [redacted] possible money laundering activities.

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Reference: 272A-TP-48727 Serial 18
272A-TP-48727 Serial 19

Enclosures: Enclosed for Miami, Philadelphia, and Tampa are the following:

- 1) [redacted] biographical information.
- 2) U.S. Department of State cable entitled "SUSPICIOUS NOTARIAL REQUESTS".
- 3) TORCH ENERGY request - request for visa assistance.

2814-TP-48727-22

138 [redacted] 01.ec

Secure faxed to LSG to be serialized;
Orig. w/ text to LSG to be
uploaded

Leads manually set
forwarded to all addresses
Text will be uploaded at a later date 5/29/99

To: Criminal Investigative From: Kiev
Re: 272A-TP-48727, 05/18/1999

4) STORY FIRST COMMUNICATIONS - request for visa assistance.

Details: For the information of receiving offices, [REDACTED] has made a number of recent appeals to the U.S. Embassy, Kiev, for non-immigrant visa (NIV) assistance, for the purpose of conducting business at numerous locations in the U.S.

Philadelphia, Tampa, and, at this time, Miami, are locations where [REDACTED] and his organization are investing significant amounts of funds into real estate.

Enclosure #2, a communication authored by the U.S. Embassy, Moscow, identifies large-scale investments into luxury condominiums at PINNACLE CONDOMINIUMS. According to the Consular Section, U.S. Embassy, Kiev, and recent source reporting, the

[REDACTED]

[REDACTED]

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To: Criminal Investigative From: Kiev
Re: 272A-TP-48727, 05/18/1999

LEAD (s):

Set Lead 1:

PHILADELPHIA

AT HUNTINGTON, PENNSYLVANIA

Conduct an appropriate background check on ITP and its identified associates.

Set Lead 2:

TAMPA

AT FORT MYERS, FLORIDA

Provide appropriate serials from Tampa investigation to Kiev, who is not on-line with ACS.

♦♦



ENCLOSURE #1

SOUND BUSINESS IN A SOUND BODY

Continued from previous issue / випуск другий

Text: Ihor Neduzhko
Текст: Ігор Недужко

In the previous issue, we introduced people from the Ukrainian elite. The reader's response surpassed the Editor's boldest expectations. Many thanks for all the phone calls we received. The trouble is that there is only so much magazine space that can be allocated to the next installment, so we kindly request the esteemed gentlemen waiting in the wings to bear with us; to quote from the unforgettable Ostap Bender, their turn will come with the passage of time...

У попередньому номері журналу ми познайомили читачів з представниками української еліти. Успіх нової рубрики перевершив усі сподівання. Багато шановних громадян нам телефонували, розповідали про свої захоплення. Щиро вдячні за довір'я. Але місце для рубрики виділяється в часописі обмежене. Отже, панове, трохи терпіння, до всіх черг дійде. З плином часу, як казав незабутній Остап Бендер.

IHOR BAKAI. At 35 he runs the joint stock company Naftohaz Ukrainy, one of the most powerful business entities in Eastern Europe and the former Soviet Union. The company operates over 250,000 km of arterial and distribution gas pipelines, up to 30,000 km of oil pipelines, runs research centres, institutions of learning, a communications network, and a thriving publishing business.

Psychics have long noticed a peculiar phenomenon. People who can successfully battle with the distractions of youth or achieve athletic success while young can make successful businessmen. Ihor Bakai certainly belongs to that number. He is a one-hundred percent self-made man.

He studied at a technical college, worked as an assistant forest ranger, won the prestigious title "Master of Sport (Track and Field)", headed a soccer training school at the Karpaty Club, worked as a lumberjack team leader in Yakutia and was manager of a public catering co-operative. He climbed all the way from the bottom to

ІГОР БАКАЙ. У свої 35 років Ігор Михайлович очолює одну з найпотужніших нафтогазових структур країни Східної Європи - підприємствсько-промислового простору - АК "Нафтогаз України". Компанія використовує більше 250 тис. км магістральних і розподільчих газопроводів, до 30 тис. км нафтопроводів, має власні наукові та дослідницькі центри, навчальні заклади, систему зв'язу, займається видавничою діяльністю. Психологи давно відмітили феномен той, хто може замолоду перебороти свої лінощі, спокусу до розваг, досягти високих спортивних результатів, здатний стати успішним бізнесменом, цієї категорії людей належить Ігор Бакай. Він сам "зробив себе". Студент технікуму, помічник лісничого, майстер спорту з легкої атлетики, начальник бази футбольної команди спортивного клубу "Карпати", бригадир групи лісорубів у Якутії, дирек-

тор харчового кооперативу. Він піднімався цими сходами. Півроку тому Ігор Михайлович розробив нову схему забезпечення України газом за рахунок товарних поставок. Ця схема підтримана урядом, дали життя корпорації "Республіка", яку очолює Ігор Бакай. За його ініціативи Верховний Рад розробляється низка



Photo: Ihor Neduzhko

the top rung of the ladder. Five years ago, Mr. Bakai worked out new gas supply patterns for Ukraine, on account of commodity supplies. The project was supported by the government and the corporation *Respublika* was formed with Ihor Bakai at its head.

It was on his initiative that a number of bills were tabled, including the one on property and protection of property rights.

When asked where he can get the energy for such strenuous endeavours, Mr. Bakai says, "I imbibe it from nature, from its inexhaustible sources on my brief hunting sprees". On such occasions, the man reveals yet another talent, cooking. He is the author of numerous hunter's recipes including this one for bear paws in hunter's sauce. The meat must be kept in brine for 24 hours, then boiled in water for five minutes, placed in cold water, cleansed of the remaining skin and hair, then placed in a broth with carrots, parsley, dill and onion, adding salt and pepper, and cooked on a low heat until ready. After that, the meat is cut at the joints, lengthways, into five slices, leaving an even layer of meat on each bone. It is then painted with egg, rolled in breadcrumbs and butter, rolled in breadcrumbs again, and roasted until the upper crust is ready. It should be served with hunter's sauce.

проектів законів, статутів, актів за провласності та привласнення.

Коли в Ігоря Михайловича запитали звідки в нього сили для такої наполегливої роботи, він лише усміхнувся: "Часто їх у природі, з її дикою джедайською під час недовгих годин мисливських дозвілля". В цей час виявляється один талант Ігоря Бакає - він автор гетьох мисливських страв.

Спробуйте приготувати за його рецептом смажені лапи ведмеда в мисливському соусі. М'ясо треба замаринувати протягом 24 годин, потім 5 хвилин кип'ятити, потримати в холодній воді, очистити від залишків шкіри та волоської петрушкою, укропом. Дібулу додати сіль і спеції, варити на малому вогні до готовності. Далі розрізати м'ясо по суглобах в довжину на 5-тих так, щоб на кожній кісточці залилася рівна частина м'яса, зафармувати в ящиках, тертому сухому хлібі, вершковому маслі знову в тертих хлібних хариках. Смажити до готовності верхнього шару. На стол подають з мисливським соусом.

UNCLAS

~~SENSITIVE~~

MOSCOW 06650

ENCLOSURE #2

Page 1 of 2

UNCLAS ~~SENSITIVE~~ MOSCOW 06650

clana:

ACTION: CONS

INFO: RSO CHRON DCM AMB POL

Lasers:

INFO: CHRON1

DISSEMINATION: CONS

CHARGE: PROG

VZCZCKVO533

RR RUEHKV

DE RUEHMO #6650 0821527

ZNR UUUUU ZZH

R 231527Z MAR 99

FM AMEMBASSY MOSCOW

TO RUEHC/SECSTATE WASHDC 7550

INFO RUCNCIS/CIS COLLECTIVE

RUEHRA/AMEMBASSY RIGA 3530

RUEHTL/AMEMBASSY TALLINN 0916

RUEHVL/AMEMBASSY VILNIUS 1238

RUEHWR/AMEMBASSY WARSAW 1362

RUEHFT/AMCONSUL FRANKFURT 6428

RUCNFB/DIRFBI WASHDC

RHFJUSC/US CUSTOMS SERVICE WASHINGTON DC

RUEABND/DRUG ENFORCEMENT ADMIN HQ WASHDC

BT

UNCLAS MOSCOW 006650

DEPT FOR CA/L [REDACTED] CA/OCS/ACS/EUR,

CA/CO/L/A-RBII, CA/FPP [REDACTED] AND

DS/CR/VF - RBII

POSTS FOR ACS

FBI FOR CI-1B, OIC/CID, AND OC/DOC

FRANKFURT FOR RCO [REDACTED]

~~SENSITIVE~~

E.O. 12958: N/A

TAGS: CASC, CJAN, KCRM, SNAR, KFRD, KSRK, ASEC, RS

SUBJECT: SUSPICIOUS NOTARIAL REQUESTS

REFS: (A) 3/22 [REDACTED] TELECON,

(B) 7 FAM 820

1. ~~SENSITIVE BUT~~ UNCLASSIFIED. PLEASE PROTECT ACCORDINGLY.

2. THIS MONTH WE HAVE RECEIVED NUMEROUS REQUESTS FOR NOTARIAL SERVICES FROM NATIONALS OF RUSSIA AND OTHER NIS COUNTRIES RELATED TO A REAL ESTATE PROJECT IN MIAMI, FLORIDA. EACH REQUEST REPRESENTS AN INVESTMENT OF APPROXIMATELY USD 500,000. THE APPLICANTS, MOSTLY YOUNG MEN, APPEAR

MATTER.

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UNCLAS

~~SENSITIVE~~

MOSCOW 06650

Page 1 of 2



ENCLOSURE #3

T O R C H
E N E R G Y A D V I S O R S

FAX COVER SHEET

Date: January 21, 1999

Time: 9:08 AM

To:

Company:

U. S. Embassy in Ukraine

Fax:

Phone:

From:

Department:

International Business
Development

Fax:

Phone:

Number of pages including cover sheet: 4

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Message:

Please deliver to

163A-KV-146-41

SEARCHED	_____
SERIALIZED	_____
APR 20 1999	
INDEXED	_____
FILED	_____

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b7C**1221 Lamar, Suite 1600 Houston, Texas 77010**

This facsimile is intended only for the use of the addressee named herein and may contain legally privileged and confidential information. If you, intended recipient of the facsimile, you are hereby notified that any assimilation, distribution or copying of this facsimile is strictly prohibited. If received this facsimile in error, please immediately notify us by telephone at our expense and destroy the facsimile.

Thank you for your cooperation.

ALAT

REC'D
FROM
CONSUL
4/21/99



T O R C H
E N E R G Y A D V I S O R S

January 21, 1999

[redacted] Consul
Embassy of the United States of America
10, Yu. Kotsubinskiy St.
Kiev, Ukraine

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Dear [redacted]

Torch Energy Advisors Incorporated has extended an invitation to [redacted] to visit our offices next month in conjunction with his planned attendance of the Cambridge Energy Research Associates Global Energy Conference. [redacted]
[redacted] NefteGaz, the national oil company of Ukraine.

I understand that [redacted]

[redacted] I would appreciate it if you would review his file and discuss with me what obstacles, if any, exist today for [redacted] Torch Energy Advisors has spent a considerable amount of time cultivating relationships within the oil and gas community in Ukraine and thus [redacted] planned visit is important to us, both in terms of additional business opportunities and the success of our current Ukrainian investments.

I have attached a copy [redacted] passport and the cover page of the conference brochure for your review. I may be reached at [redacted] or e-mail [redacted] Thank you in advance for your prompt attention to this matter.

Very truly yours,

TORCH ENERGY ADVISORS INCORPORATED





STORYFIRST
COMMUNICATIONS

ENCLOSURE #4

March 19, 1999

USA Embassy
Kiev, Ukraine

To Whom It May Concern:

By this Letter StoryFirst Communications, Inc. would like to formally invite [redacted]
[redacted] National Joint Stock
Company "Naftogaz Ukrainy", to visit the United States of America.

The purpose of [redacted] visit is to meet Government officials and leading financial bankers and businessmen in Washington, New York and Philadelphia for a series of top-level discussions concerning the reconstruction of the oil and gas industry of Ukraine, in particular, the purchase of equipment for oil and gas supply and processing for a number of regions in Ukraine.

Additionally, during this visit [redacted] will continue business negotiations in relation to StoryFirst Communications, Inc.

In case of accident, disease or emergency during [redacted] trip to the USA, StoryFirst will bear all responsibility for him.

In view of the ongoing of the discussions and negotiations to be undertaken by [redacted]
[redacted] in the nearest future, we would like to request that he be granted a multiple entry visa.

Thank you for your consideration.

Sincerely,





To the US Consulate Office,
Embassy of the United States Of America,
Kiev, Ukraine

February 22, 1998

Dear Sir/Madame,

StoryFirst Communications, Inc. is an American corporation that has been working in the CIS for several years. Together with local partners we created an independent television network (ICTV) in Ukraine, several jointly owned radio stations (i.e. Radio Maximum Moscow) as well as a number of TV companies in Russia (i.e. Channel 6 in Saint-Petersburg, Channel 27 in Moscow, Nika TV in Nizhny Novgorod, Volga TV in Samara, Maxima TV in Perm, Channel 6 in Kazan, Zodiac in Omsk, Channel 10 in Ekaterinburg, etc.). These TV stations make up the core of our Russia-wide television Network, Commonwealth of Television Companies (CTC) launched in December, 1996.

We have plans to send our specialists to the West from time to time, so that they could spend some time at different US television and radio stations, get an idea of how a broadcast structure in America functions and meet US experts in this field. At the moment the idea is to renew invitation for our employee of ICTV, our Ukrainian TV station, [redacted] to come to the United States on a regular basis for short stays over the next few months to meet their American colleagues at radio, TV stations and advertising agencies in different American cities, visit our office in New York and headquarters in San Francisco.

StoryFirst offices will take care of our Ukrainian colleague during her stay, including accommodations, transportation, insurance, organise training and cover all other aspects of their stay in the States. I am asking, therefore, for your cooperation in issuing US entry visas for our colleague.

Thank you in advance.

Sincerely yours,

[redacted]

CEO

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To the US Consulate Office,
Embassy of the United States Of America,
Kiev, Ukraine

February 22, 1998

Dear Sir/Madame,

StoryFirst Communications, Inc. is an American corporation that has been working in the CIS for several years. Together with local partners we created an independent television network (ICTV) in Ukraine, several jointly owned radio stations (i.e. Music Radio, Kiev) as well as a number of TV companies which make up the core of our Russia-wide television Network, Commonwealth of Television Companies (CTC) launched in December, 1996.

We have plans to welcome our partners in US from time to time, so that they could spend some time at different US television and radio stations, get an idea of how a broadcast structure in America functions and meet US experts in this field. At the moment the idea is to issue invitation [redacted]

[redacted] Naftogas, to come to the United States on a regular basis for short stays to meet hisr American colleagues at radio, TV stations and advertising agencies in different American cities, visit our office in New York and headquarters in San Francisco. Naftogas is one of our partners.

StoryFirst offices will take care of our Ukranian partner during his stay, including accommodations, transportation, insurance, organise meetings and cover all other aspects of their stay in the States. I am asking, therefore, for your cooperation in issuing US entry visas for our colleague.

Thank you in advance.

Sincerely yours,

[redacted signature box]

CEO

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STEPTOE & JOHNSON LLP

1330 Connecticut Avenue, NW
Washington, DC 20036-1795

Telephone 202.429.3000
Facsimile 202.429.3902
<http://www.stepto.com>

March 18, 1999

U. S. Embassy
Ukraine

To whom it may concern:

With this letter we notify you that Steptoe & Johnson hereby invites [redacted]
[redacted] Board, NAK "Naftogaz Ukraine," to the U.S. for a period of 7-14 days between
April 30 through May 30, 1999. [redacted] will be in the U.S. for business reasons. He plans to
meet with potential U.S. investors and with interested officials at the U.S. Department of Energy
and other agencies in Washington, D.C.

Sincerely yours,

[redacted]
Chair, Steptoe & Johnson CIS Practice
Chair, Board of Directors Eurasia Foundation

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(1/26/1993)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 06/14/1999

To: Tampa

Attn: SA [REDACTED]
Naples RA

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From: Savannah ITC

Investigative Information Services Center (IISC)
Contact: [REDACTED] (12) 944-0824

Approved By: [REDACTED]

Drafted By: [REDACTED]

Case ID #: 272A-TP-48727 -25 (Pending)

Title: STORY FIRST COMMUNICATIONS
SITC RECORD NO. 139344

Synopsis: To report results of request submitted to Savannah ITC.

Enclosures: IISC database printouts are maintained in the OO case file.

Details: IISC DATABASE PRINTOUTS HAVE BEEN SENT TO THE REQUESTER AND WILL BE MAINTAINED AS PERMANENT FILE MATERIAL IN THE OO CASE FILE.

Two copies of a reply form are being submitted with database printouts. It is requested that you record the accomplishments of this request on these forms, return one copy to the SITC, and maintain one copy as a serial in your case file.

Results of inquiries are set forth below.

Twenty-one newspaper articles are attached regarding Story First Communications for your review. Also attached are portions of SEC records which mention Story First Communications. These documents are voluminous (approximately 500 pages) so are not being printed in entirety unless asked to do so by requestor. No other documents could be located regarding this company.

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2814 TP-48727-23

To: Tampa From: Savannah ITC
Re: 272A-TP-48727, 06/14/1999

LEAD (s):

Set Lead 1:

TAMPA

AT NAPLES, FLORIDA

Complete and return Reply Form to Savannah ITC.

THIS IS PERMANENT FILE MATERIAL
AND IS TO BE MAINTAINED IN
THE OO CASE FILE.

♦♦



INVESTIGATIVE INFORMATION REQUEST FORM

FBI, Savannah Information Technology Center

220 East Bryan Street

Savannah, Georgia 31401

▷ Commercial Telephone or FTS: (912) 944-0824 thru 0828

▷ FAX: (912) 231-1076 and (912) 231-0974

▷ Secure FAX & STU III: (912) 231-1075

ITC Use Only:

SITC Record #:

139344

Date/Time In:

6/8/10:20

☒ am ☐ pm

Date/Time Out:

6/14/1058

☒ am ☐ pm

Database(s) Used:

1.

2.

3.

4.

Handled By:

5.

6.

7.

8.

9.

10.

11.

12.

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TO: FBI, SAVANNAH INFORMATION TECHNOLOGY CENTER

Date: 6/7/99

Forfeiture/Seizure

Type of Request: ☒ FAX ☐ Telcal ☐ MailReply: ☐ FAX ☐ Telcal ☒ Mail

Requestor: SA

Phone #: (941) 263-8225

FAX #: (941) 263-6428

UCFN: 272A-TP-48727

Office/RA:

(Requestor Name is Required)

RA

Precedence:

☒ ROUTINE☐ PRIORITY☐ IMMEDIATE

Approximate turnaround times (48 hrs)

(24 hrs)

(2 hrs)

SEARCH CRITERIA (Attach additional sheets if necessary)

Name - Last: _____ First: _____ Middle: _____

Alias: _____ Sex: _____ DOB1: ____/____/____ DOB2: ____/____/____

SSAN1: ____-____-____ SSAN2: ____-____-____ Spouse: _____

Fugitive: ☐ Yes ☐ No Driver's License #: _____ State: _____

RESIDENCE

Street Address: _____ City/State: _____ Zip: _____ Phone: _____

BUSINESS

Business Name: Story First Communications Street Address: _____

City/State: San Francisco, CA Zip: _____ Phone: _____ Business ID#: _____

CHECK DESIRED SEARCH PARAMETERS (Please check only those that are needed)

☐ 1. Specific Information Desired _____☐ 2. Determine All Individuals Associated with Social Security Number(s)☐ 3. Report Validity of Social Security Number☐ 4. Determine Who is Associated with Telephone Number(s)☐ 5. Determine Address of Business/Person (____ U.S. _____, _____, _____ State(s))☐ 6. Determine Property Owned by Individual (____ U.S. _____, _____, _____ State(s))☐ 7. Determine Who Owns Property Listed Above☐ 8. Determine Who Resides at Address Listed Above☒ 9. Determine Financial Background Info, i.e., Bankruptcy, Judgements, Liens, UCC filings, or Lawsuits☒ 10. Determine Corporate Business Info, i.e., Officer, Director, Registered Agent _____

(Person/Business)

☐ 11. Customs Border Crossings / Subject query / I-94 info (circle one)☐ 12. Federal Prison Inmate Information☐ 13. Telemarketing Complaints

Reply From: FBI, Savannah Information Technology Center (SITC)

Return Reply To:

SAC, _____

Attention: _____

Based on search criteria, marked records are attached:

☐ Possible Identifiable Records☐ Brief Synopsis of Information Found☐ Other Peripheral Information☐ No Information Found

LEVEL 1 - 1 OF 21 STORIES

Copyright 1999 Interfax News Agency
Interfax Russian News

April 30, 1999, Friday

LENGTH: 97 words

HEADLINE: STS NETWORK TO HOLD CONFERENCE OF REGIONAL AFFILIATES

BODY:

STS NETWORK TO HOLD CONFERENCE OF REGIONAL AFFILIATES

The STS television network will hold a conference in Moscow June 25-27 of its regional broadcasting affiliates.

As in the past, regional directors are to meet with representatives of the board of directors of Story First Communications (U.S.) on June 24.

The conference will concentrate on such internal business matters as advertising sales, marketing, the fall programming line-up, and development of business and advertising in Russia.

Mass Media News

LANGUAGE: ENGLISH

LOAD-DATE: May 20, 1999

LEVEL 1 - 2 OF 21 STORIES

Copyright 1999 Reed Elsevier Inc.

Variety

April 5, 1999 - April 11, 1999

SECTION: SPECIAL REPORT: MIP '99; Pg. M24

LENGTH: 657 words

HEADLINE: Crisis leaves Russians in the red

BYLINE: TOM BIRCHENOUGH

BODY:

MOSCOW The clock has been turned back five years in the Russian TV programming market. Fewer players will be making the journey to Mip, an event which will confirm what's been clear to all involved here for months --- prices are down by as much as 50%.

Because of last August's financial crisis, peak-time viewing on major channels is no longer top-quality material purchased from abroad. Broadcasters are increasingly turning to domestic programming.

The quality of such new, home-grown product varies considerably --- from very professionally-made talkshows to rather more improvised fare devoted to issues as diverse as consumer protection and self-help.

"We're trying not to evaporate from the market because of the crisis," Anatoly Maximov of leading pubcaster ORT (Public Russian Television) says.

Recent state loans have allowed that channel to settle past debts, so Maximov will be looking to make deals based on today's economic realities. Most partners have been very understanding, he says, even to the extent of showing willingness to renegotiate existing contracts.

As Russia's ratings leader for blockbuster pics, ORT will undoubtedly be pursuing that line. However, with the channel at the receiving end of much parliamentary scrutiny, Maximov admits the country's mood is turning inwards: "Political pressure is dictating an orientation that is likely to be more national than international," he points out.

Andrei Golovanov, chief buyer at top commercial player NTV, concurs.

The channel will be lessening its strong past acquisition slant --- NTV has aired series like "ER" and "Walker, Texas Ranger" successfully over the last year --- as local production has come online.

One exception for NTV may be product for the group's newly upgraded --- and digitalized --- subscription service, NTV-Plus. As well as pics for dedicated

Variety, April 5, 1999 - April 11, 1999

film channels, NTV-Plus has satellite capacity to add an eventual 30 or so extra channels.

Mood at the CTC network, majority-owned by U.S. players Story First Communications (SFC), is also moving toward a stronger local profile.

"We have a need for more Russian faces on the channel --- though we won't sacrifice on quality of programming," Peter Gerwe, chief of SFC, says.

To date, the channel --- which has recently seen its ratings rise by 35-40%, making it the territory's No. 2 commercial channel --- has been putting out many U.S. shows to its 282 affiliate stations.

Currently it's speeding up program flow from Universal, which is a CTC investor.

The domino effect from Russia's crisis has seen many of the other ex-Soviet markets dip, too, and regional players are no longer emerging as independent buyers.

In the Ukraine, despite a population of almost 50 million, political pressures and a run-up to fall presidential elections are making for an anxious time for broadcasters

Take Kiev-based Novy TV, which launched last summer and had begun paying respectable prices for U.S. shows --- not large figures, admittedly, but at least a sign that buying interest was moving in the right direction. Now, faced by a slump in the ad market and political uncertainties alike, the channel is scaling back acquisitions.

In fact, for a beacon of optimism in the ex-U.S.S.R., the only places to look are the Baltic states. The top player in Latvia, Riga-based commercial channel LNT, has been upping domestic lifestyle production, but remains firmly committed to serials like "Esmerelda," which topped ratings last year.

Pan-Baltic buying may be going slower than originally planned --- national tastes in the three small countries Latvia, Lithuania and Estonia are more different than might have been expected --- but at least the trend is toward growth.

It may be unusual for an acquisitions chief to be saluting the fact that prices for shows are rising steadily, but that's exactly how LNT's Inara Kraukle feels. As long as they are, she knows the market's stable.

LANGUAGE: ENGLISH

LOAD-DATE: April 04, 1999

LEVEL 1 - GROUP 6 - 1 OF 12 SEC FULL TEXT

Copyright 1999 Disclosure Incorporated
EDGARPlus(R)

COMPANY: MODTECH HOLDINGS INC
EXCHANGE: OTH

FORM-TYPE: S-4 A00

DOCUMENT-DATE: January 11, 1999
FILING-DATE: January 11, 1999

<=1> Full text <=2> Company info <=3> Contents <=4> Other <=5> Return

<=6> Special Printing Instructions for this Document.

***** TEXT OF FILING *****

... partner of

Proactive Partners, L.P., a merchant
banking fund formed in 1991. [REDACTED]
[REDACTED] of Story First Communications,
Inc.; Tanknology-NDE; Sonex Research, Inc.
and Wray-Tech Instruments, Inc.

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89

NAME (AND YEAR FIRST ...

DCN: 99504082

LEVEL 1 - GROUP 6 - 2 OF 12 SEC FULL TEXT

Copyright 1998 Disclosure Incorporated
EDGARPlus(R)

COMPANY: MODTECH HOLDINGS INC
EXCHANGE: OTH

FORM-TYPE: S-4

DOCUMENT-DATE: December 16, 1998
FILING-DATE: December 16, 1998

<=1> Full text <=2> Company info <=3> Contents <=4> Other <=5> Return

<=6> Special Printing Instructions for this Document.

***** TEXT OF FILING *****

... partner of Proactive Partners, L.P., a merchant banking
fund formed in 1991. [REDACTED] of Story First
Communications, Inc.; Tanknology-NDE; Sonex Research, Inc. and
Wray-Tech Instruments, Inc.

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[REDACTED] ...
DCN: 98770707

LEVEL 1 - GROUP 6 - 3 OF 12 SEC FULL TEXT

Copyright 1998 Disclosure Incorporated
EDGARPlus(R)

COMPANY: MODTECH HOLDINGS INC
EXCHANGE: OTH

FORM-TYPE: S-4 A00

DOCUMENT-DATE: December 16, 1998
FILING-DATE: December 16, 1998

<=1> Full text <=2> Company info <=3> Contents <=4> Other <=5> Return

<=6> Special Printing Instructions for this Document.

***** TEXT OF FILING *****

... partner of Proactive Partners,

L.P., a merchant banking fund
formed in 1991. [REDACTED]
[REDACTED] of Story First
Communications, Inc.;
Tanknology-NDE; Sonex Research,
Inc. and Wray-Tech Instruments,
Inc.

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b7c

[REDACTED] (1998) ...

DCN: 98770849

LEVEL 1 - GROUP 6 - 4 OF 12 SEC FULL TEXT

Copyright 1998 Disclosure Incorporated
EDGARPlus(R)

COMPANY: MODTECH INC
TICKER: MODT
EXCHANGE: NMS

FORM-TYPE: S-4

DOCUMENT-DATE: October 27, 1998
FILING-DATE: October 27, 1998

<=1> Full text <=2> Company info <=3> Contents <=4> Other <=5> Return

<=6> Special Printing Instructions for this Document.

***** TEXT OF FILING *****

... partner of Proactive Partners, L.P., a merchant banking

fund formed in 1991. [REDACTED] of Story First
Communications, Inc.; Tanknology-NDE; Sonex Research, Inc. and
Wray-Tech Instruments, Inc.

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93

[REDACTED]
DCN: 98731613

... Corporation; Sonex Research, Inc.;

Cuisine Solutions, Inc.; Tanknology-NDE and
Wray-Tech Instruments, Inc.

[redacted] (1994) 54

[redacted] joined Modtech's Board of Directors in June 1994 in connection with the sale of preferred stock to several private investors in May 1994, including Proactive Partners, L.P. [redacted] is currently a managing director and founder of McGettigan, Wick & Co., Inc., an investment banking firm formed in 1988, and a general partner of Proactive Investment Managers, L.P., the general partner of Proactive Partners, L.P., a merchant banking fund formed in 1991. [redacted] is a director of Story First Communications, Inc.; Tanknology-NDE; Sonex Research, Inc. and Wray-Tech Instruments, Inc.

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LEVEL 1 - GROUP 6 - 5 OF 12 SEC FULL TEXT

Copyright 1998 Disclosure Incorporated
EDGARPlus(R)COMPANY: EMERGING MARKETS GROWTH FUND INC
EXCHANGE: OTH

FORM-TYPE: PROSP

DOCUMENT-DATE: September 1, 1998

FILING-DATE: September 1, 1998

<=1> Full text <=2> Company info <=3> Contents <=4> Other <=5> Return

<=6> Special Printing Instructions for this Document.

***** TEXT OF FILING *****

... St. Petersburg Telephone Network JSC	12,913,020	14,850
.11		
Star Mining Corp. NL (1)	18,884,400	209
<u>Story First Communications</u> Inc., Class B Senior convertible		
preferred (acquired 10/14/97, cost:\$14,848,000)(1) (2)	10,383 ...	

DCN: 98702024

LEVEL 1 - GROUP 6 - 6 OF 12 SEC FULL TEXT

Copyright 1998 Disclosure Incorporated
EDGARPlus(R)

COMPANY: EMERGING MARKETS GROWTH FUND INC
EXCHANGE: OTH

FORM-TYPE: PROSP.

DOCUMENT-DATE: August 28, 1998
FILING-DATE: August 28, 1998

<=1> Full text <=2> Company info <=3> Contents <=4> Other <=5> Return

<=6> Special Printing Instructions for this Document.

***** TEXT OF FILING *****

... St. Petersburg Telephone Network JSC	12,913,020	14,850
.11		
Star Mining Corp. NL (1)	18,884,400	209
<u>Story First Communications</u> Inc., Class B Senior convertible		
preferred (acquired 10/14/97, cost:\$14,848,000)(1) (2)	10,383 ...	

DCN: 98699535

LEVEL 1 - GROUP 6 - 7 OF 12 SEC FULL TEXT

Copyright 1998 Disclosure Incorporated
EDGARPlus(R)

COMPANY: EMERGING MARKETS GROWTH FUND INC
EXCHANGE: OTH

FORM-TYPE: PROSP

DOCUMENT-DATE: August 11, 1998
FILING-DATE: August 11, 1998

<=1> Full text <=2> Company info <=3> Contents <=4> Other <=5> Return

<=6> Special Printing Instructions for this Document.

***** TEXT OF FILING *****

... St. Petersburg Telephone Network JSC	12,913,020	14,850
.11		
Star Mining Corp. NL (1)	18,884,400	209
<u>Story First Communications</u> Inc., Class B Senior convertible		
preferred (acquired 10/14/97, cost:\$14,848,000)(1) (2)	10,383 ...	

DCN: 98682709

LEVEL 1 - GROUP 6 - 8 OF 12 SEC FULL TEXT

Copyright 1998 Disclosure Incorporated
EDGARPlus(R)

COMPANY: EMERGING MARKETS GROWTH FUND INC
EXCHANGE: OTH

FORM-TYPE: N-2 A00

DOCUMENT-DATE: August 5, 1998
FILING-DATE: August 5, 1998

<=1> Full text <=2> Company info <=3> Contents <=4> Other <=5> Return

<=6> Special Printing Instructions for this Document.

***** TEXT OF FILING *****

... St. Petersburg Telephone Network JSC	12,913,020	14,850
.11		
Star Mining Corp. NL (1)	18,884,400	209
<u>Story First Communications</u> Inc., Class B Senior convertible		
preferred (acquired 10/14/97, cost:\$14,848,000)(1) (2)	10,383 ...	

DCN: 98677137

LEVEL 1 - GROUP 6 - 9 OF 12 SEC FULL TEXT

Copyright 1998 Disclosure Incorporated
EDGARPlus(R)COMPANY: EMERGING MARKETS GROWTH FUND INC
EXCHANGE: OTH

FORM-TYPE: N-2 A

DOCUMENT-DATE: August 5, 1998

FILING-DATE: August 5, 1998

<=1> Full text <=2> Company info <=3> Contents <=4> Other <=5> Return

<=6> Special Printing Instructions for this Document.

***** TEXT OF FILING *****

... St. Petersburg Telephone Network JSC	12,913,020	14,850	
.11			
Star Mining Corp. NL (1)	18,884,400	209	-
<u>Story First Communications</u> Inc., Class B Senior convertible			
preferred (acquired 10/14/97, cost:\$14,848,000)(1) (2)	10,383 ...		

DCN: 98677138

LEVEL 1 - GROUP 6 - 10 OF 12 SEC FULL TEXT

Copyright 1998 Disclosure Incorporated
EDGARPlus(R)COMPANY: EMERGING MARKETS GROWTH FUND INC
EXCHANGE: OTH

FORM-TYPE: N-2

DOCUMENT-DATE: July 27, 1998

FILING-DATE: July 27, 1998

<=1> Full text <=2> Company info <=3> Contents <=4> Other <=5> Return

<=6> Special Printing Instructions for this Document.

***** TEXT OF FILING *****

... St. Petersburg Telephone Network JSC	12,913,020	14,850
.11		
Star Mining Corp. NL (1)	18,884,400	209
<u>Story First Communications</u> Inc., Class B Senior convertible		-
preferred (acquired 10/14/97, cost:\$14,848,000)(1) (2)	10,383 ...	

DCN: 98671417

LEVEL 1 - GROUP 6 - 11 OF 12 SEC FULL TEXT

Copyright 1998 Disclosure Incorporated
EDGARPlus(R)COMPANY: EMERGING MARKETS GROWTH FUND INC
EXCHANGE: OTH

FORM-TYPE: N-2

DOCUMENT-DATE: July 27, 1998

FILING-DATE: July 27, 1998

<=1> Full text <=2> Company info <=3> Contents <=4> Other <=5> Return

<=6> Special Printing Instructions for this Document.

***** TEXT OF FILING *****

... St. Petersburg Telephone Network JSC	12,913,020	14,850	
.11.			
Star Mining Corp. NL (1)	18,884,400	209	-
<u>Story First Communications</u> Inc., Class B Senior convertible			
preferred (acquired 10/14/97, cost:\$14,848,000)(1) (2)	10,383 ...		

DCN: 98671418

LEVEL 1 - GROUP 6 - 12 OF 12 SEC FULL TEXT

Copyright 1994 Disclosure Incorporated
EdgarPlus

AMERICAN PRESIDENT COS LTD
TICKER: APS EXCHANGE: NYS

PROXY

DOCUMENT-DATE: April 28, 1994
FILING-DATE: March 30, 1994

<=1> Text of document <=2> Company information <=3> Table of contents

* * * * * TEXT OF FILING * * * * *

... Friedman, a San Francisco-based investment firm, from April
1985 to July 1993 [REDACTED] is also a director of Story
First Communications, Inc. (a) (b)

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(PHOTO)



DCN: 94518449

LEVEL 1 - 17 OF 21 STORIES

Copyright 1996 Information Access Company,
a Thomson Corporation Company
IAC (SM) Newsletter Database (TM)
Screen Digest Limited
Screen Digest

December 1, 1996

LENGTH: 117 words

HEADLINE: Another newcomer in Russian TV expansion

BODY:

Latest addition to booming Russian television channel market is expected to launch to 35m-40m viewers in 30 Russian cities this month (December), increasing to 80m after one year. Like channel proposed by Russian producer REN-TV (see 1996/236b1), Moscow-based CTC will be broadcast via satellite to local stations for terrestrial retransmission. Russian television advertising market was worth \$1,200m, or 59 per cent of total advertising, in 1995. CTC is joint venture whose backers include investment company Story First Communications; channel expects to break even by end of second season.

COPYRIGHT 1996 Screen Digest Limited

LANGUAGE: ENGLISH

IAC-ACC-NO: 03485926 ND

LOAD-DATE: January 11, 1997

LEVEL 1 - 18 OF 21 STORIES

Copyright 1996 The Dallas Morning News
THE DALLAS MORNING NEWS

August 16, 1996, Friday, HOME FINAL EDITION

SECTION: NEWS; Pg. 31A

LENGTH: 2531 words

HEADLINE: Morales challenged on child support;
He says lawmakers' criticism is political

BYLINE: Christy Hoppe, George Kuempel, Austin Bureau of The Dallas Morning News

DATELINE: AUSTIN

BODY:

AUSTIN - It's a familiar story: first communications break down, accusations follow, and then a fight over property and custody.

And so the battle rages between key legislators and Attorney General Dan Morales over who will control the state's child-support office.

At a time when President Clinton has vowed a national crackdown against "deadbeat" parents, the state is dealing with a tidal wave of financially abandoned children - more than 1 million kids owed billions of dollars.

The duty to collect that money resides with the attorney general. The child-support division, with 2,450 employees and a \$ 126 million annual budget, makes up more than half of Mr. Morales' office.

After months of testimony, reports and audits, the chairmen of the House and Senate committees that oversee child support told The Dallas Morning News that they no longer have confidence in Mr. Morales' willingness or ability to do the job.

Criticism crosses party lines, though some Democrats on the committees say they haven't decided whether to support a call to move child--support operations.

In committee meetings scheduled for Friday and Aug. 29, they said they will discuss legislation to move child support to a free-standing agency.

Mr. Morales, a Democrat, has denounced the criticism as politically motivated by two Republican chairmen. He cites statistics to show that child-support collections have improved dramatically during his six-year tenure.

Mr. Morales said he is proud of the division's work, which collected \$ 514 million in 1995 - a 22 percent increase over the previous year. "The state is in the top 10 nationally in every significant category," he said.

Texas now ranks seventh nationally in collections, up from 14th when he took

office in 1991, Mr. Morales said.

"The proof is in the pudding. . . . The numbers do not lie," he said. "Has it been wildly successful? I would argue yes."

But others say Mr. Morales needs to understand that the concern is bipartisan.

State Rep. Leticia Van De Putte, D-San Antonio, a member of the House committee studying the problem, said her office is constantly receiving complaints from parents who have tried for months, and sometimes years, to get help from the attorney general's office.

"Child support is just not happening," Ms. Van De Putte said.

She said the problems and numbers are overwhelming, and she doubts that Mr. Morales - whom she admires - understands the breadth and the depth of the frustration.

"I'm not sure if the attorney general got Jesus Christ to be head of the division that it would work, the way it's structured now," Ms. Van De Putte said.

In face of mounting criticism, Mr. Morales has held a series of press conferences over two weeks touting the child-support job he is doing.

On Thursday, he traveled to San Antonio and Houston recruiting new businesses to join a 3-year-old program that gets companies to voluntarily report new hires so the state can see if they owe child support.

State Rep. Toby Goodman, R-Arlington, chairman of the House Juvenile Justice and Family Issues Committee, authored legislation creating that program and shakes his head at Mr. Morales' promotion of it.

Mr. Goodman is concerned because the largest employer in Texas - the state - doesn't participate because nobody has figured out how information on new hires can be fed from the comptroller's computers to the attorney general's.

He also said he wonders why Texas ranks seventh when it is second in population. He pointed out Texas collects half as much money from delinquent parents as smaller states, such as Pennsylvania, Ohio and Michigan. For example, Michigan collected \$ 933.4 million.

Mr. Goodman also cited a host of legislation, most of which he authored, approved since 1991 to improve collections: license suspensions, wage garnishment, tax refund withholding, DNA testing to prove paternity and access to credit company and employer records to locate parents owing child support.

Though Mr. Morales points to the millions collected, Mr. Goodman said he is staring at the billions owed by parents who scoff at what he called the "toothless tiger" of a system.

"I think there's a lot of legislative support to move the agency," he said.

But Mr. Morales said he would be surprised if either committee voted to move the division.

"I am only aware of three or four or five of those 181 legislators who have raised any concerns along these lines, whatsoever," he said.

Committee members in the House and Senate, and of both parties, said their offices are flooded with complaints from distraught parents who say they get no help from Mr. Morales' office.

"The bottom line is we have to do something," said state Rep.

Henry Cuellar, D-Laredo, a Morales supporter.

Mr. Cuellar said moving the division is an option, but he added that he wants to make sure that would solve a problem and not just shift it.

Proponents of relocating the division believe that a stand-alone agency dealing only with child support would be less politicized, better scrutinized, more responsive and more clearly focused on its task.

The Legislature took similar action four years ago when Protective and Regulatory Services, overseeing child-abuse cases, was taken from the Department of Human Services and made a stand-alone agency.

Mr. Morales said such a move would be a mistake because he believes that elected officials are more accountable.

Ever since taking office, Mr. Morales said, he realized that child support would be a political headache - poor families caught in the political wastelands of divorce and teenage pregnancy.

"This is not a powerful lobby we're talking about - poor kids, poor families," he said. "But I think moving it to a nameless, faceless bureaucracy would not be good for the kids."

Mr. Morales attributed the idea to move child support on state Sen. Chris Harris, R-Arlington, saying Mr. Harris is trying to "manufacture" issues.

He suggested that Mr. Harris might be trying to politically embarrass Mr. Morales to launch his own campaign for attorney general. If so, it would be shameful to use "the poor kids of Texas as political pawns," Mr. Morales said.

Mr. Harris said that such a charge is an insult; he has no interest in running for attorney general and has told that to Mr. Morales. Mr. Harris, an attorney who has practiced family law, said his interest is well-documented in more than a dozen laws aimed at improving child support.

The child-support program has been in the attorney general's office since 1983, with an aim of getting single parents off welfare.

In a typical case, a woman on federal assistance has no financial support from the father of her children. The case is given to the state, which tries to identify or locate the father and obtain proper court orders. Payments are then ordered to reimburse the federal programs and help support the children.

Parents who aren't on welfare also can use the attorney general's office to collect owed support. The number of cases in the program has mushroomed - doubling to 800,000 since Mr. Morales took office six years ago.

Gay Erwin, Mr. Morales' executive assistant, said the problem in collecting child support is that it is difficult "to get blood from a turnip." In many cases, the father is in prison, unemployed, or as yet unidentified, she said.

In 19.4 percent of the cases, some payment is being made, totaling \$ 514 million a year, state figures show. The number of paying cases has increased 169 percent since 1990, Ms. Erwin said.

But others are concerned about what is not being done: for more than half of its 800,000 currently outstanding cases, the AG has failed to get the basic court order required to establish child-support payments, Mr. Morales' figures show.

Of the 360,000 cases in which a court has ordered payment, roughly \$ 2.2 billion is still owed, Mr. Goodman said.

Lawmakers, child-support advocates and single parents have raised specific complaints over how the division is run:

* Frequent shake-ups in child-support management have created confusion and turmoil. The unit has its fifth director in six years.

The current director, David Vela, began work June 1 after five years with the division as a manager, mostly heading client services. His early career was in the national parks service and public relations.

He is the husband of Melissa Vela, who worked for years as Mr. Morales' political office manager. She recently was hired by the attorney general's office as an accountant.

Mr. Morales said he promoted Mr. Vela because of his performance and qualifications. He said the fact that his wife had been a campaign worker actually "operated to David's detriment" in getting the job.

Mr. Vela replaced Charles Childress, a child-support division veteran and attorney who is board certified in family law.

Mr. Childress was fired after 16 months as director for what he said was his reluctance to embrace programs that were politically popular, such as suspending licenses.

Mr. Childress was praised by lawmakers as someone who understood the agency and had earned their confidence, even though they sometimes disagreed with his priorities.

* Mr. Morales has failed to take interest in the program. Mr. Childress said he spoke with his boss only three times in more than a year. Mr. Childress' predecessor, Larry Crawford, also said that he met Mr. Morales infrequently. Both men said Mr. Morales delegated responsibility to top aides.

Mr. Morales said that he has complete confidence in the decisions made by his aides and that the accomplishments of the division show his interventions are unnecessary.

"The results speak for themselves," he said.

* While caseworkers are overwhelmed with an average of 1,100 cases each, the attorney general cut 95 positions in child-support services last year - the equivalent of four field offices.

Mr. Morales said cuts were mandated by the Legislature, which ordered agencies to cut 1.26 percent from their budgets over two years.

In addition to cutting 95 jobs from child support, another 121 posts were deleted from other attorney general divisions, administrative executive, Ms. Erwin said.

Some lawmakers said overburdened child support should have been spared from budget cuts, that could have come from any area. They also said Mr. Morales has never approached legislators to make a pitch for greater child-support funding.

Mr. Morales dismisses such criticism, saying he did not see any leeway in the budget mandate, that he was not going to push for special favors when there are great needs statewide.

"We realized we're not going to be treated differently. We're being asked to do more with less, and we have to do our part," he said.

* The agency has either failed or been slow to implement new laws to pressure dead-beat dads and moms into paying support.

For instance, Mr. Morales in August 1995 announced plans to suspend licenses for 50,000 parents where a court had previously ordered child support. The parents held some kind of professional permit or drivers' license and a known address. Almost a year later, 17 licenses had been suspended; another 1,170 faced pending legal action.

Mr. Morales said that his office consistently has sought new strategies to collect child support, and that his objective has been to collect money for children, not suspend licenses.

He pointed out that \$ 21 million has been collected from those threatened with license suspension since 1995.

* Child-support workers are authorized to dump dormant cases from the computer system. As many as 100,000 cases were dumped in 1994, Mr. Childress acknowledged, either because the owing parent couldn't be found or because the child had turned 18.

Lawmakers say this practice masks the number of delinquent cases and how much is truly owed.

Ms. Erwin said strict federal guidelines are followed in determining which cases can be deleted. Some must be dormant in the system for three years before

removal, and all are subject to federal and state audits, she said.

* After five years of missed deadlines, the attorney general's office is still trying to implement a federally mandated computer system designed to automate child-support orders, payments and locator services.

The system was initially scheduled to go online in February 1993 at a cost of \$ 11.4 million. Current estimates are that it will cost \$ 70 million and won't be turned on until Oct. 1, 1997.

Mr. Morales blames the delays, problems and cost increases on Andersen Consultants, which he hired to implement the project.

Representatives of Andersen cite management changes within the attorney general's office, as well as specification changes ordered by the federal government, for the delays.

* Clients frequently report that staffers handling their cases won't answer the phone or return calls. Some say they are treated rudely when they do get through.

Lynda Bentsen, chairwoman of the Texas Association for Children for Enforcement of Support, said her organization is overwhelmed with parents complaining about mistreatment by the child-support office.

Numerous frustrated parents have spoken out at press conferences and public hearings about waiting years for help from the attorney general's office.

Members of a Senate interim committee were infuriated to learn recently that a letter from the attorney general's office instructed clients not to call with questions.

"Unbelievable. I would not believe this unless I saw it," said an angry Sen. John Whitmire, D-Houston.

Child-support directors said they can understand the clients' frustration but say heavy caseloads preclude personal attention.

If caseworkers spent just five minutes with each of their clients, it would take 11 full work days, without any other work getting done.

Mr. Morales also said that lawmakers should not legislate by anecdotes.

"Out of 800,000 cases, good heavens, anyone can find 10, 20 or 30 cases that are problematic," he said. Overall, he said, the division is doing an outstanding job with limited resources.

Mr. Harris, whose interim committee has been reviewing the child-support division, said he disagrees and believes it is time to move the program.

He predicted that his committee will recommend the idea to the Legislature. "The mothers and children of Texas cannot afford to keep this thing going," he said.

Frustration with child support within the attorney general's office is not

new.

State Rep. Billy Clemons of Pollok, who has campaigned for Mr. Morales, was so frustrated that he introduced a bill last year to strip Mr. Morales of the job.

The bill was approved by committee and was poised for a vote by the full House when Mr. Morales personally went to the chamber to lobby against it and give assurances that the agency would do better.

Still, like many other lawmakers, Mr. Clemons said his office is swamped with complaints from desperate mothers.

"I consider Dan a good friend, but my heart bleeds for these women who aren't getting anything for those kids," said Mr. Clemons, who switched to the Republican Party last year.

GRAPHIC: CHART(S): / GRAPH(S): Child Support Activity Booms.

LANGUAGE: ENGLISH

LOAD-DATE: August 21, 1996

LEVEL 1 - 19 OF 21 STORIES

Copyright 1994 Independent Press
The Moscow Times

July 8, 1994

SECTION: No. 499

LENGTH: 747 words

HEADLINE: Sun May Set on 'Moscow in the Morning' Radio Show

BYLINE: By Sander Thoenes

BODY:

Moscow's first English-language program, Radio Maximum's "Moscow in the Morning," may go off the air as early as Friday because of falling advertising revenues, one of the founders and the program director said Thursday.

Yevgeny Abov, commercial director of the weekly Moscow News, the Russian co-founder of Radio Maximum, said it would meet Friday with the joint-venture president to decide whether to continue the morning show in the face of dropping advertising revenues.

"Moscow in the Morning" went on the air in early 1992 as the first English-language program in Russia. With American disc jockeys Cami McCormick and Charles Bornstein filling three hours a day with news, jokes, columns and Western music, it quickly became a household name.

"The Russian listeners are tuning out," Abov said. "We don't want to close down the program, but we have to look at the audience too."

"'Moscow in the Morning' is taking up prime time," Abov said. "Pressure from Russian advertising is increasing. We are losing those commercials."

Because Radio Maximum has expanded its Russian audience to St. Petersburg and to the UKW frequency, which most Western radios cannot receive, many advertisers want to air their commercials in Russian only, Abov said.

He declined to confirm or deny reports that the program would run its last show Friday, but said a press release on the future of the program would be issued after the board meeting. Bert Kleinman, president of the joint venture and board member for Westwood One, arrived in Moscow on Thursday but refused to answer calls.

According to McCormick, program director and the leading voice for "Moscow in the Morning," Kleinman had said recently that he planned to take the program off the air but had refused to tell her when.

"I'm really pissed off," McCormick said. "The least I expected was to be treated with a little respect."

"It's been a lot of hassle getting up at 3 A.M. every day," she said. "I

hoped that when I left I'd leave with a good feeling."

"We always understood that it would not last forever," McCormick said. "It was not put on the air to make money." Instead, the program served to promote the new station and attract Western advertisers, she said.

Tamsyn Rose, who reads the business news on the program, said the news came as "a real blow."

"With just the three of us and no resources, I think we did very well," she said. "I think we meant quite a lot to people, both Russian and foreign."

McCormick and Rose said that they continuously clashed with the Russian owner, Moscow News, and got no support from the U.S. partners, Harris Corp., Story First Communications and Westwood One.

LANGUAGE: ENGLISH

LOAD-DATE: October 31, 1994

LEVEL 1 - 20 OF 21 STORIES

Copyright 1992 The Washington Post
The Washington Post

September 12, 1992, Saturday, Final Edition

SECTION: FIRST SECTION; PAGE A14

LENGTH: 938 words

HEADLINE: Western Radio Rocks, Talks in Moscow;
Private Stations Drop Russian Music for American, European Top 40

SERIES: Occasional

BYLINE: Fred Hiatt, Washington Post Foreign Service

DATELINE: MOSCOW

BODY:

Tanya the 16-year-old deejay adjusted a knob on the console before her, leaned into the microphone and breathed the name of the next number in a voice sultry and soothing beyond her years.

"Lay All Your Love on Me," Tanya said with the perfect American intonation that is, she acknowledged, the key qualification for her job at Moscow's ultra-hip Radio Maximum.

For years, Russia's state-controlled radio showcased droning folk troupes, romantic hymns to Soviet geologists and exhaustive regional crop reports. Now, Moscow is suddenly rocking to American Top-40, as an explosion of new radio stations introduces the marvels of T-shirt giveaways, happy-talk news and, coming soon, Kasey Kasem's weekly countdown of the hits.

Few experiences in life must be more disorienting than driving along a cratered, dimly lit Moscow road while listening to Larry King field a phone call from Long Island or Tracy Chapman croon her latest hit. For while the new stations have slightly different formats, they share a basic idea: If it's Western, it's cool.

Building an FM culture on the rubble of the Soviet Union isn't easy. With few consumer goods around, advertisements tend to be for aluminum, stock markets or harvester combines, although Coke, Xerox and Linguaphone also take their turns. Since market research remains in its infancy, no one really knows who's listening to what.

Technology remains underdeveloped, too; one station, Radio ROKS, transmits from Oslo, where Russian deejays receive hourly faxes from Moscow so they can sound as though they're here. Most of the relentlessly cheerful jingles and musical cues are produced in the United States. You can just make out the

American accent when they sing "Prognoz Pagody" (Weather Forecast) every few minutes on Radio Seven.

Tanya, the after-school deejay also known as Tatyana Bocharova, isn't all that impressed with her own station's choice of music. In a demure plaid jumper and fashionable round glasses, the tall 16-year-old listed, off-mike, her own favorites: Donna Summer, Chicago, the Beach Boys.

"The '50s and '60s were great," she said with just a touch of world-weariness. "Now, there's nothing good on the charts."

Tanya also said she doesn't think much of her pay, which she said works out to about 20 cents per hour. Still, she admitted to some pleasure in helping lead the latest Russian revolution. "Just being on the air is fun, you know," she said.

Not long ago, Alexander Kasparov, 30, was editing the music pages for Rural Youth magazine. Now he is program director for Radio Maximum, a joint venture between the weekly newspaper Moscow News and three U.S. firms: Westwood One Inc., Story First Communications and Harris Corp.

Kasparov told of a listener reaching for the car phone in his Mercedes and calling an advertiser whose commercial had just aired. "In three days, they had a fifty-grand contract," Kasparov said, displaying a gift for capitalist English.

As Kasparov talked, a Beirut-like shell of an apartment building visible through the window highlighted the dichotomies of Moscow life. Squatters lived there until a recent fire, the station staff said. Since then, only one resident has been spotted, a man who sells screws and nails on the sidewalk and drinks perfume now that vodka is priced too high.

Kasparov said his station, which hit the airwaves last January, targets young businessmen in their twenties.

"They want to make money, and they're doing it," he said. "I wouldn't ask how, but they're making money."

And what do they like to hear? "Depeche Mode is always popular," Kasparov said. "You can never miss with the Beatles. The Scorpions are huge, enormously huge. And Queen is like -- you could go anyplace and hear Queen."

Spin the dial to Radio Seven, another U.S.-Russian joint venture. Deejay Yelena Solovyova, 24, is trying to give away a T-shirt to any listener who remembers the age of the fictional hero of a James Hadley Chase detective story the station is reading in installments.

"Hello? Hello?" she says, punching one button and then another. "That's strange." No one has called in; could it be that no one is listening? Solovyova punches up a song and tries again. Andrei is on the phone, but he doesn't know about the contest; he wants to know how Radio Seven has managed to secure its broadcasting frequency.

"Sorry, military secret," Solovyova jokes, cutting him off. Finally, a listener calls with the answer, but can't be heard over static on the phone

line. Still, Solovyova manages to give away a shirt.

"See that?" she says with relief. "Sometimes when things don't work out the first time, they work out the next."

Such might be the motto of Moscow's fledgling stations. "The general situation is quite hard, as is well known," said Radio Seven's general manager, Matvei Golenpolsky. Golenpolsky, a television personality who claims to have Moscow's "best jazz-rock collection," noted that most Russians don't have cars, that most cars don't have radios, that most enterprises have little to sell and don't know how to advertise, and that most Russians can no longer afford to buy radios at all.

But Golenpolsky is convinced that business will boom in three or four years, rewarding the pioneers now entering the field.

Golenpolsky also admitted to some sadness at Western music's dominance. Only state radio continues to give much air time to local musicians. But Golenpolsky said that even older listeners don't complain much any more about the reign of U.S. and European rock.

"Most have gotten used to it," he said. "And luckily, they don't understand the words."

GRAPHIC: PHOTO, TANYA BOCHAROVA, 16, ROCKS RUSSIANS IN ENGLISH ON MOSCOW'S RADIO MAXIMUM. DAN SHEEHAN FOR TWP

LANGUAGE: ENGLISH

LEVEL 1 - 21 OF 21 STORIES

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Multichannel News

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LENGTH: 1285 words

HEADLINE: CEA goes out on a limb, internationally; Communications Equity Associates

BYLINE: Stilson, Janet

BODY:

If Tele-Communications Inc. and Lenfest Communications sign on the dotted line to pick up equity in Videopole, a French MSO, it may not be the largest international deal that Rick Michaels brokers this year.

But the \$ 20 million to \$ 40 million agreement, which industry sources say is in the fine-tuning stage, would be one of the major coups for his brokerage firm, Communications Equity Associates.

After all, cable's own Napoleon - TCI - is just starting to spread across Europe. And just as TCI's acquisitions in the U.K. struck joy in the beleaguered industry in that country, so too is this deal likely to cause some meaningful second glances in France, one of Europe's more unsettled cable markets.

For Michaels, it will be one more indication that the millions of personal dollars and considerable manpower he's devoted to a business that started out as a "hobby" - international dealmaking - could do much more than break even.

Some observers in the industry scratch their heads trying to work CEA's global numbers: offices in London and Munich and some shared bunkers in Prague, Czechoslovakia, and Wiesbaden, Germany; 15 full-time staffers who could be on a jet streaming over Beijing or Santiago, Chile, on any given day. That's more sales employees than some competing U.S. cable brokerage firms have on their entire staffs.

"It's extraordinary how far-flung their interests are," says Julian Brodsky, vice chairman and CFO of Comcast Corp., who has yet to wheel a deal with CEA.

All told, Michaels' wholly owned company has shelled out about \$ 3.5 million to fund the globetrotting over the course of the last decade.

The international team brought in about \$ 2.5 million in revenue last year, with international deals totaling about \$ 95 million.

"If it were my dough, I don't know that I would have done it;" comments Stewart Nazzaro, vice president of international development and CEA's point man on Pacific Rim business.

"But Rick has been extremely successful," Nazzaro adds. "He has to pay serious bucks to get us out in front of the Time Warners and the TCIs and everybody else in the world, banging the shrubs and knocking out all the little animals" before attractive opportunities are perceived by others.

Why the global gung ho? Granted, with a shrinking domestic cable brokerage business for everyone in the industry, diversification is considered a key survival tactic by many. Last year was CEA's worst, with all cable deals totaling \$ 215.8 million, Michaels reports. For the first time, broadcast transactions actually swept by cable, at \$ 350 million. Gone is the CEA airplane with three pilots on the payroll.

But the foreign focus is also rooted in Michaels' personal background: His mother and stepfather moved to Jamaica in 1958, no job prospects in hand. "Six months later, my stepfather was in the real estate business, and they just stayed," he says. His four brothers and sisters caught the international bug too, with past and present work places ranging from the Iranian Air Force to the United Nations.

Other occurrences, such as Michaels' disc jockey gig at a pirate radio station while attending the London School of Economics in the '60s and developing systems "down in the islands" for Britain's Cable & Wireless in the early '80s gave him even more of a global media bent.

But things really started jelling in 1983, when Michaels cast aside the notion that a British cable conference going on in London was just a boondoggle. A last-minute decision to drop in on it convinced Michaels and Mark Sena, senior vice president of international services, that they should investigate worldwide opportunities further.

At first, international business was perceived as "frivolous" by some staffers at CEA, Sena recalls. But since the business began taking off in the late 1980s, staff meetings on international business are sometimes standing room only.

"Look at all the operators going overseas," Sena enthuses. "It's not just major media conglomerates. We're talking about medium-size and small companies. And you have equipment suppliers, bankers and financial investors, programmers - all of them are going overseas. That's where the growth is."

Today, CEA represents nearly 50 overseas clients, ranging from Icelandic Pay TV (a SMATV pay service) to what Michaels terms "exotic" propositions like the adult-oriented Home Video Channel in the U.K. Also on the investment opportunity list is Story First Communications, a Russian radio and television group in which Michaels has made a personal investment.

"The amount of geography that Rick Michaels can cover in one week rivals that of most airline pilots," notes Charles Bonan, president of international for the pan-European Super Channel network and a former business partner with

Michaels in that service.

All that effort appears to be paying off in perception.

"I must admit they're the only [brokerage] party I've met out there. And that makes them somewhat unique," says Jeffrey Reiss, chairman and CEO of Reiss Media Enterprises, whose international ventures include a joint venture with Japan Satellite Broadcasting to provide programming to the Wowow Home Theater pay TV service.

In fact, CEA isn't alone among brokers casting eyes overseas. But no one's even interested in following Michaels' footsteps when it comes to time and money expended.

Daniels & Associates, for example, changed its global course late last year, opting to narrow its focus to only those companies likely to do major deals.

"We're trying to become well-known to the group we believe will become the pre-eminent players when consolidation occurs," says Phillip Hogue, Daniels' chairman. "We've been over there several years and continue to develop relationships we think will best capitalize our expertise."

Pinpointing the big boys helps to hold down costs tremendously, Hogue notes.

Costs can be considerably more than those incurred in the U.S. It's not just the travel-and-entertainment expenses in all those travel-brochure locales. It's also the amount of time required to build contacts and get business done. "The important thing to understand about the international business is it's a relationship business, the way it used to be here in the U.S.," says Michaels.

"In the U.S., if you bring someone a good deal, there's a high likelihood you will get it done," adds Stephen Goetz, managing director of European services for CEA. "If you present it to people in Europe, it's more important to know whom you're dealing with and how long you've known them."

To make the economics work, CEA avoids small-scale deals. It also casts a much wider net than it does Stateside - delving into related overseas media businesses like publishing and video houses. And it charges retainer fees as well as expenses, a practice generally reserved only for financing deals in the U.S. As an example, CEA's yearlong work for the Australian Broadcasting Corp., as the network tries to get into the pay-TV business, will garner the brokerage \$ 40,000 monthly plus expenses, Michaels says.

But even that's not enough. Michaels says he wants to continue developing interregional business, selling overseas properties to companies that aren't rooted in the States.

He's also in the process of putting together a \$ 100 million fund for international investments.

"My goal is really to see that the international billings by next year are in the \$ 4 [million] to \$ 5 million range," he adds.

Does that mean the international business will go way the other side of

break-even?

Michaels smiles. "Then it becomes an attractive proposition."

GRAPHIC: Illustration; Photograph; Table

LANGUAGE: ENGLISH

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LEVEL 1 - 11 OF 21 STORIES

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EUROPEAN MEDIA BUSINESS & FINANCE

December 1, 1997

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HEADLINE: Russia

BODY:

The Russian market remains a quandry for media companies in the 1990s. It is - by far - the largest and potentially the most lucrative market of eastern Europe; however, the uncertain political situation - plus the 'Wild West' perception it has - is keeping western media companies from investing in the region.

Those fears notwithstanding, several broadcasters launched in the country in 1997 with the goal of becoming national broadcasters. Currently, four stations have a national penetration - the successful commercial broadcasters NTV and TV6-Moscow (which cover around 60 per cent of the country) and the traditional heavyweights ORT and RTR which blanket the country. NTV is best known for news, while ORT focuses on entertainment and TV6 aims at a younger audience.

All four of these networks spill over into some of the break-away republics of the former Soviet Union, causing havoc for the broadcasters in those regions. Earlier this year, for instance, the Ukrainian station Studio 1+1 threatened to take ORT to court because the Russian broadcaster was airing films to which 1+1 owned the Ukrainian rights in the Ukraine. No suit was ever filed, and the Hollywood studio that was involved - Warner Bros. - laughed off the spat, saying it would continue to sell both Russian and Ukrainian rights to its programmes.

Some of the smaller stations are trying to go national by building a network of local stations. One such company is REN-TV, rumoured to have the financial backing of wealthy investors. In 1997 the company joined forces with the barter programming distributor NVS (Independent Broadcasting Service) to launch a new TV service, on Channel 7 to Moscow and to 61 NVS affiliates in the Russian Federation (and around 55 more in CIS countries). Another, CTC, went live a month earlier, and is distributed digitally via satellite to 30 local broadcasters. It is part-owned by U.S. company Story First Communication and aims to reach 80 million Russians by 1998.

The market is growing fast: cable and satellite penetration is expected to climb, and even pay-TV is a possibility. However, the Russian set-up is mired in complexity. Reliable figures are hard to come by, especially regarding ad spend (anything from US\$274m to US\$600m in 1996). Audience research is slightly more reliable. But with new initiatives continuing apace, the consolidation the Russian market needs so badly is unlikely to happen in the coming year.

VITAL STATS

Total Population (000s)	147,600
Number of Households (000s)	7,683
Phone (/100 indiv)	15
Internet (Pop. Equipped)	n/a
Number of TV Households	46,400
Licence Fee Cost	RUR5,500/months

Source: GoskomStat, PEE Moscou

TELEVISION CHANNELS

Channel	Nature	Penetration	Funding	Audience Share
ORT	Nat'l Public	100%	Advertising	55%
NTV	Nat'l Private	68%	Advertising	14%
RTR	Nat'l Public	99%	Licence/Ad	11%
TV6	Nat'l Private	55%	Advertising	5%
St. Pete Ch 5	Nat'l Public	59%	Licence/Ad	2%
CTC	Private Net	18%	Advertising	n/a
AST	Private Net	9%	Advertising	n/a
TV3	Private Net	9%	Advertising	n/a
NVS	Private Net	2%	Advertising	n/a
REN TV	Private Net	n/a	Advertising	n/a
TV Centre	Reg Public	n/a	Advertising	n/a

Source: Russian Research

TELEVISION (Feb. 1997)

Total Households (000s)	46,400
Colour TV (% of TV Households)	92%
2+ TV sets (% of TV Households)	n/a
Video (% of TV Households)	41%
Teletext (% of TV Households)	5%
Remote Control (% of TV Households)	50%

Source: Russian Research

DAILY VIEWING time (per individual; in min)

Adults 18	1994	1995	1996
Daily Reach	90%	92%	92%
Viewing Time (per viewer)	200	238	243
Viewing Time (per individual)	180	219	224

Source: Russian Research

CABLE & SATELLITE

	%
All TV Households	100
Cable Passed	n/a
Cable Subs	12%
Private Dish	1%
Collective Dish/SMATV	n/a

Source: Russian Research

TOP TV PROGRAMMES

Title	Country	Genre	Runs	Aud. %	Share %
Winter Cherry	Russia	Series	8	36.9	63
Field of Wonders	Russia	Game	56	36.1	67
Wild Field	Russia	Other	9	31.9	72
Old Songs	Russia	Entertain	6	31.4	71
Gentleman Show	Russia	Entertain	9	30.4	71
White Parrot Club	Russia	Entertain	16	27.3	70
Bangkok Hilton	USA	Series	6	25.6	54
Vremya with b	Russia	Magazine	9	25.3	52
Rush Hour	Russia	Talk Show	191	25.2	65
Song-96	Russia	Entertain	11	24.2	66

LANGUAGE: ENGLISH

LOAD-DATE: December 10, 1997

LEVEL 1 - 12 OF 21 STORIES

Copyright 1997 ITAR-TASS News Agency
TASS

October 22, 1997, Wednesday

LENGTH: 160 words

HEADLINE: US studios to make programmes directly for Russian viewers

BYLINE: By Alexei Agureyv

DATELINE: NEW YORK, October 22

BODY:

U. S. studios will start producing TV programmes directly for Russian viewers in the near future. Investment of 70 million dollars by a consortium of American companies into the development of the Story First Communications was an important stage on this way. Its studios reach an audience of 60 million TV viewers in 174 Russian cities.

Out of the total, ten million dollars will be invested by the Universal Television company, a subsidiary of the Universal Studios corporation. The rest will be contributed to the project by the investment companies Credit Swiss First Boston, Mercury Asset Management and Morgan Stanley Asset Management.

Speaking in an interview with Itar-Tass, Universal Television spokesman Jim Beson said that it is very easy to reply why the company decided to make investments into the Russian market. Suffice it to say, he noted, that the growth in value of TV advertising in Russia amounted to 40 percent a year.

LANGUAGE: ENGLISH

LOAD-DATE: October 22, 1997

LEVEL 1 - 13 OF 21 STORIES

Copyright 1997 ITAR-TASS News Agency
TASS

October 22, 1997, Wednesday

LENGTH: 649 words

HEADLINE: Foreign news summary

BODY:

STOCKHOLM -- Russian Deputy Prime Minister Vladimir Bulgak will meet members of the Swedish-Russian Chamber of Commerce and the Export Council of Sweden today. High on the agenda will be the development of trade and economic ties between Russia and Sweden and their bilateral scientific and technical cooperation. The two neighbouring countries have already accumulated a rich experience of mutually beneficial cooperation in various spheres, but their potential is far from exhausted. The development of bilateral cooperation in the field of power engineering would have met mutual interests, among others.

WASHINGTON -- The 2001 Russo-American business summit, a large conference on problems of trade and investment, opens here today. Participants in the conference, representatives of major U. S. companies, such as American Express, Arthur Andersen, Corning, Direct Net, Lockheed Martin, are going to discuss practical problems of doing business in Russia. A special round-table conference will be devoted to prospects of Russian telecommunications. During another seminar specialists with experience of work in Russia will share secrets of the "strategy of success".

LONDON -- The Russian petroleum company LUKoil began floating its Eurobonds at the London Stock Exchange to a sum of 350 million U. S. dollars to be redeemed by November 3, 2003. A representative of the SBC Warburg investment bank, the lead manager for the loan, announced on Tuesday evening. The Eurobonds are to be floated among a broad range of investors, including those from Switzerland, the United States, Great Britain, Asian and Latin American countries.

BRUSSELS -- Some 100 astronauts and cosmonauts will arrive in a year in Brussels for the congress of the association of space explorers. One of its organisers, Belgian astronaut Dirk Frimout, said at the presentation on Tuesday that the motto of the forum will be "space and education -- address to youth". He hopes that the congress will be attended by the first woman-cosmonaut Valentina Tereshkova, the first man to make a space walk Alexei Leonov, the cosmonaut who set endurance record in orbit Valery Polyakov, U. S. pioneer of space exploration Scott Carpenter and the entire crew of the Atlantis on whose board Frimout made a flight five years ago.

NEW YORK -- U. S. studios will start producing TV programmes for Russian viewers in the near future. Investment of 70 million dollars by a consortium of American companies into the development of the Story First Communications was an important stage on this way. Its studios reach an audience of 60 million TV viewers in 174 Russian cities. Out of the total sum, ten million dollars will be invested by the Universal Television company, a subsidiary of the Universal

Studios Corporation. The rest will be contributed to the project by the investment companies Credit Swiss First Boston, Mercury Asset Management and Morgan Stanley Asset Management.

PRAGUE -- The chief purpose of a five-day visit by Prime Minister of the Czech Republic Vaclav Klaus to Kazakhstan, Uzbekistan and Kirghizia is to reach agreements on long-term commercial and economic projects. He leaves on the tour next Monday. This will be a first visit by the head of the Czech cabinet to Central Asia, says a report of the Czech government's press service circulated in Prague today.

XIANGGANG (HONG KONG) -- Against the background of mass demonstrations demanding that Premier Chaovalit Yongchaiyudh of Thailand resign, the entire cabinet tendered its resignation. The crisis has been caused by the government's economic setbacks. Thailand's baht dropped 38 per cent against the U. S. dollar, and half the number of financial companies went bankrupt. The programme of using a credit of 17.2 billion dollars allocated by the International Monetary Fund comes under criticism abroad.

LANGUAGE: ENGLISH

LOAD-DATE: October 23, 1997

LEVEL 1 - 14 OF 21 STORIES

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Variety

September 22, 1997 - September 28, 1997

SECTION: SPECIAL REPORT: Spotlight; Mipcom '97; Pg. M44

LENGTH: 414 words

HEADLINE: New Russian player TV-Center ups the ante

BYLINE: TOM BIRCHENOUGH

BODY:

MOSCOW Russian buyers will be concentrating predominantly on feature films at Mipcom, and wondering whether prices will be rising as a result of the new TV-Center which has very deep pockets. The Moscow-based channel, amalgamating former broadcasters MTK and 2 x 2, went on air this summer, and will reach wider audiences late September.

TV-Center's general producer Stanislav Arsipov, denied media reports that the channel had paid \$ 150,000 for "The English Patient" (instead, it was part of a 30 film package purchased for approx. \$ 400,000), and advocates the former benchmark figure of \$ 25,000-\$ 30,000 as the natural limit for a blockbuster film. But no one is denying that the channel has come onto the scene with a pronounced financial flourish. Arsipov will attend Mipcom with four others from TV-Center.

Victor Litenko, CTC programming director, says, "We don't see it as a good thing, given the advertising market is not keeping pace."

TV-Center has bid aggressively against rivals. Territory's major players and feature buyers ORT (Channel 1) and NTV hope that prices will keep steady due to strong relationships. According to ORT's Anatoly Maximov, ORT now has 86 international partners. Luckily, TV-Center is the only channel paying more, Maximov says. "We are waiting for them to recover their senses."

Otherwise, most other genres should remain steady. Entertainment and gameshows "format rights" are expected to be big. Not only are ratings consistently high for such product, but the tightening of intellectual property enforcement will play a role in producers' enthusiasm to get the rights' contracts signed.

CTC's Litenko has been looking for a gameshow aimed at the channel's revised 18-49 target audience for some time, but has not yet found a suitable candidate. REN-TV's Mansky is also scouting, but for a middle-aged audience. He says perhaps he will go for a musical format.

Moscow-based, U.S. independent producer Vincent Battaglia, CEO of Babylon

International, has spent much of the last three years trying to bring "Gladiators" to Russia, producing pilot programs under license from international sub-licensors. So far permission for a directly licensed Russian version has been stymied due to the protracted Goldwyn-Orion-MGM hand-over.

Also, new players appearing are Moscow-based channel REN TV and CTC (backed by U.S. Story First Communications), specializing in family viewing --- mostly using U.S. product --- particularly serials.

LANGUAGE: ENGLISH

LOAD-DATE: September 23, 1997

LEVEL 1 - 15 OF 21 STORIES

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CNNFN

SHOW: BIZ BUZZ 12:00 am ET

March 18, 1997; Tuesday 12:05 am Eastern Time

Transcript # 97031803FN-104

TYPE: NEWS ITEM

SECTION: Business

LENGTH: 638 words

HEADLINE: Entertainment News

BYLINE: Donald Van de Mark, Beverly Schuch

BODY:

DONALD VAN DE MARK, CNNfn ANCHOR, BIZ BUZZ: Moving on and talking about television, but talking about television moving overseas, there is a story this morning in the Wall Street Journal that CBS, that is a division of Westinghouse, soon to be called CBS alone, may be

moving into Russia and that something on the order of a \$50 million investment may come from CBS to buy a company called Story First Communications which was launched by U.S. broadcasting executives some years ago and currently reaches 55 million households. We want to show you a quick clip of a CBS show, Murphy Brown, which already airs dubbed in Russia.

BEVERLY SCHUCH, CNNfn ANCHOR, BIZ BUZZ: You notice how the laugh track was also in - they were laughing in Russian, too.

VAN DE MARK: It's so funny, the accents. It sounds like Bullwinkle when they used to have the Russian spy woman - the same voice. But, anyway, CBS wants perhaps to move into Russia. This is an \$800 million market in terms of ad revenues, but according to various analysts in the U.S., it is an area that is growing rapidly. The Russian economy, while struggling in various sectors, is booming in this particular sector and TV ad spending was up by 40 percent last year and would be a very bold move by Michael Jordan at CBS.

SCHUCH: Well, this really the only story that I want to talk about today and I think it's fascinating, the idea that last month in fact David Bowie did a trailblazing bond offering, raised \$55 million. Now, the bond offering was asset backed. It was based on his 25 or so albums that he has released and the

BIZ BUZZ, March 18, 1997

catalogs for those albums. It means people are buying 10-year bonds with a 7.9 percent interest on them. After 10 years, David Bowie can release another bond offering. Have another bond offering. Well, it stirred such an interest in the music industry that you've got people like - this is according to the New York Post today, the Rolling Stones, Bob Marley and the Wailers, Pink Floyd, Sting, Crosby, Stills and Nash, all are interested in raising similar things. And why? Because everyone wins. The musicians get to keep control of their music and get the money in their lifetime to pass down, instead of before they would simply sell their catalogs and see them end up as commercials a couple years down the road. This way they keep control. Investors get asset backed or ...

VAN DE MARK: Steady stream of income they can measure.

SCHUCH: ...stream they can measure and it's a niche market right now, because the asset backed bonds are about \$165 billion industry a year. Mostly mortgages and cars and things like that. But the interesting thing is, Donald, about this are the implications for this. One analyst is saying that actually this music catalog are considered intellectual property, so if you broaden that definition out then, you could have bond offerings for publishing rights, for high tech properties, for biotech rights to things.

VAN DE MARK: Meaning some of these great authors that we have on the show periodically could start floating bonds in their name, on their past works, because they're buying basically a library which has future sales. Now one of the things that I spotted this morning which could add to the interest in the story is that the Eagles Greatest Hit album has just reached the level that Michael Jackson's Thriller album - I think it's like 23 million globally. So, you can tell that these past libraries continue to sell well into the future. Not only because people like to go back and buy the stuff they listened to when they were younger. But, it is a global market.

SCHUCH: And look at the biggest concert draws last year were all acts that were 20, 25 years old. So, it's a huge story. Anyway, we'll have more on that as well.

LANGUAGE: ENGLISH

LOAD-DATE: May 7, 1997

LEVEL 1 - 16 OF 21 STORIES

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BBC Summary of World Broadcasts

February 21, 1997, Friday

SECTION: World Broadcast Information; WBI/0008/WB

LENGTH: 1190 words

HEADLINE: Progress of foreign broadcast ventures in Russia

BODY:

[41]

Efforts by large international media corporations to sustain joint ventures in the Russian TV market have proved largely unsuccessful so far, according to an article in the Moscow newspaper 'Obshchaya Gazeta'. It gives the background to some of the projects which have failed, involving Rupert Murdoch and the founder of CNN, Ted Turner, among others. The article also documents the success of what it says is the only completely foreign-owned company involved in a nationwide TV venture in Russia. Following are excerpts from the report by 'Obshchaya Gazeta'; subheadings added editorially:

The misgivings about the consequences of the influx of foreign capital were nowhere as grave as in the case of the press. Some of these fears remain to this day. But not one of the large foreign companies has yet managed to carry out a single serious project in the Russian mass media.

Murdoch and NTV

The media magnate Rupert Murdoch, owner of the world's largest media empire, after lengthy negotiations at the beginning of 1996 with the leader of the Most group, Vladimir Gusinskiy, decided not to participate in the first Russian project for satellite television, NTV-Plus. According to unverified reports from sources in the NTV Television Company, Murdoch's main demand was to have the controlling block of shares in the company. Ultimately the satellite project received investments through the sale to the RAO [Russian joint-stock company] Gazprom of 30 per cent of the shares in the NTV Television Company.

Turner and TV-6

Another global television magnate, Ted Turner, at the beginning of the 1990s participated in the very promising project of creating the television channel TV-6 [in Moscow], which he later regretted for a long time. His partner was Eduard Sagalayev, who had previously had an impressive career on the first television channel of Soviet TV.

Russian legislation prohibits foreign citizens or companies from being founders of Russian mass media. But this ban does not extend beyond the founder, so legally there is nothing keeping foreigners from owning and disposing of them. Sagalayev managed to convince Turner that this was impossible and it was decided, instead of a formal documentation of the rights to the channel, at

first to limit themselves to a gentleman's agreement.

The TV-6 project was destined to be successful from the very beginning - the level of competition was not high. But a decisive role in the channel's establishment was played by Turner's granting Sagalayev the rights to show tapes from the Turner Broadcasting Corporation film library, which gave the channel the reputation of a "box office" and contributed to viewer interest - the viewers, hungry for films, sometimes especially bought decimetre [as published] dishes in order to see TV-6. This made the project attractive for Russian investors as well.

Sagalayev had a run-in with Turner when he demanded that he increase financing. In response to this Turner made his demand that he be given a controlling block of shares in TV-6, threatening to take away the rights to use the TBS film library. Sagalayev stated that from then on he would consider the agreement invalid. At that time, he recalled in an interview, Turner's wife, Jane Fonda, was getting a Coca-Cola from the refrigerator, and from the look on her face he understood that she might hit him over the head with the bottle.

The Maxwells and Meteor-TV

The project of the creation of the cable television company Meteor-TV competed mainly with NTV-Plus satellite television. And although Murdoch did not become an investor in Russian satellite TV, the Maxwell brothers still participated in the creation of Meteor-TV in cooperation with the state enterprise RTR-Teleset, a subsidiary firm of the All-Russian State Television and Radio Broadcasting Company [VGTRK].

The children of Murdoch's most dangerous competitor, Robert Maxwell, the brothers Ian and Kevin, whom the father left a bad reputation and judicial investigations, were not such serious players as Turner or Murdoch. They did not represent any corporation - only their family belonged to the history of big business in the area of the mass media.

In Russia the Maxwell brothers managed to obtain 25 per cent of the shares in the company that was created and the status of consultants on the project for attracting investments. The Maxwells also received an option to increase their block of shares at the expense of the Russian side in exchange for guarantees of financial infusions.

Meteor-TV is the first Russian cable project on a national scale. This is why it is particularly attractive, since this makes it possible to unite diverse cable operators into a single network. There were to be only two specialized channels in the first stage: sports and films. The premiere of the sports channel took place during the Atlanta Olympics. According to the company's figures, the audience for 24-hour broadcasting amounted to about 20 million viewers.

But probably the shadow of the late father is still intervening in the family's affairs: the Maxwells were still unable to bring together the necessary financing for the first Russian cable project on a national scale, as a result of which the Russian side suggested that they cease to be shareholders in Meteor-TV. The Maxwells did not object. But, unlike Turner, when they leave the project they will receive compensation from the Russian side which more than covers their costs...